FINANCIAL TIMES

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Craxi sets a record for survival, Page 18

World news

GE may sell South African operations

General Electric, the big US electrical manufacturing group, is negotiating the sale of its South African subsidiary to local employees.

The company is joining the growing number of US companies, including Coca-Cola, International Harvester, Ford Motor and Pan Am, which are either withdrawing or cutting back investment in the country.

General Electric said the decision was motivated by business, not political considerations. Page 18

Meanwhile, production was halted of the krugerrand because of a decline in international demand for the South African coin.

Pretoria ban

South Africa freed five anti-apartheid dissidents, but barred them from leaving Johannesburg or taking part in politics.

Doe claims victory

Liberia's leader Gen Samuel Doe said government troops were mopping-up rebel resistance after an attempted coup led by Gen Thomas Quiwonkpa.

Dutch 'yes' to cruise

Dutch parliament approved in principle a government plan to deploy US cruise missiles in the Netherlands by 1988.

Progress on N Ireland

The British and Irish governments appear to have made progress towards an agreement on the future of Northern Ireland and a summit is expected to take place tomorrow. Page 12

Soares resigns post

Former Portuguese Prime Minister Mario Soares resigned his post as secretary general of the Socialist Party to run in the presidential elections next January. Page 2

Talks at Lufthansa

Lufthansa management met union leaders in a bid to end the three-day strike by ground staff. In Spain, the 48-hour strike by air traffic controllers yesterday grounded 60 flights at Madrid and Las Palmas. Page 2

Hijackers on trial

An Italian magistrate said the four men who hijacked the Italian cruise liner Achille Lauro and a fifth man would stand trial on Monday charged with possessing weapons and explosives.

London arrests

London police investigating the planting of bombs at the Chelsea barracks on Monday night arrested six people under the Prevention of Terrorism Act.

Soviet minister dies

Soviet Finance Minister Vasily Garbuzov, 74, who had held the post for the past 25 years, died on Tuesday, official Tass news agency said.

Elysée conference

President François Mitterrand is to hold his fourth press conference in five years next week in a bid to boost the French Socialist Party's image. He is to visit London next Monday for talks with British Prime Minister Margaret Thatcher. Page 3

French drug raids

French police arrested 55 people in Paris and Marseilles, cracking a major drug trafficking ring, according to a senior detective.

Lusitania dispute

A British engineer who masterminded the recovery of £2.5m ($3.5m) worth of cargo from the Cunard liner Lusitania, sunk by a German U-boat in 1915, is asking the Admiralty Court to rule that the Government has no claim on it.

Business summary

CBS loss of $114m in third quarter

CBS, the US television network, suffered a third-quarter net loss of $114.1m on revenues of $1.12bn compared with profit of $48.8m on $1.08bn. The nine-month loss stands at $38.1m against profits of $176.3m. Page 18

WALL STREET: The Dow Jones industrial average closed 5.85 down at 1,427.75. Page 38

TOKYO lost ground for the fifth day with a 18.79 fall in the Nikkei average to 12,716.29. Page 38

LONDON equities surged on the Chancellor of the Exchequer's autumn economic statement. The FT Ordinary index rose 14.2 to a record 1,088.8 and the FT-SE 100 gained 15.3 to 1,398.9. Gilts firmed by up to ¾. Page 38

DOLLAR closed in New York at DM 2.6223, SFr 2.1505, FFr 7.989 and Y204.65. It was weaker in London, closing at DM 2.615 (DM 2.622), SFr 2.144 (SFr 2.152), FFr 7.9675 (FFr 7.9925) and Y203.95 (Y205.6). On Bank of England figures the dollar's index fell to 129.3 from 129.8. Page 31

STERLING closed in New York at $1.419. It gained 1.15 cents against the dollar in London to $1.424. It also advanced to DM 3.725 (DM 3.7025), SFr 3.0525 (SFr 3.04) and FFr 11.345 (FFr 1.29) but was unchanged at Y290.5. The pound's exchange rate index rose 0.2 to 79.5. Page 31

GOLD gained $2.75 on the London bullion market to $328.50 and rose $1.70 in Zurich to $325.25. In New York the Comex December settlement was $326.20. In New York the Comex December settlement was $328.20. Page 30

SELENIA, the Italian state-owned maker of radar, missiles and other electronic equipment, is to provide the Spanish Government with L250bn ($142m) worth of ground-to-air Aspide Skyguard missiles.

VOLKSWAGEN, West Germany's biggest car maker, announced a strong recovery in net profits for the first nine months. Earnings totalled DM 424m ($161.8m) compared with a loss of DM 47m in the previous corresponding term. Page 19

FIAT of Italy and Allis-Chalmers of the US have settled their long-running dispote over their ill-fated earth-moving equipment venture Fiat-Allis, with full control going to Fiat. Page 19

BELL AND HOWELL, the US communications equipment and services group agreed to acquire Xerox's University Microfilms International subsidiary for $100m in cash. Page 19

MAN, engine and truck manufacturing subsidiary of the West German GHH group, celebrated its return to financial health by announcing a dividend of DM 2 – its first payout for three years. Page 19

SIEMENS, West German electronics company, sold 7m of its 8.84m shares in Fanuc, the Japanese robotics concern. Siemens said the sale would not affect a joint venture in the US between Fanuc and Siemens.

COMMODORE, the troubled US home computer company, suffered a $39.2m net loss in the first quarter, compared with a $27.7m profit in the year ago period. For the year ended June 30, the company reported a $113.9m loss.

GATES LEARJET, US business jet maker, is to close its main manufacturing plant in Tucson, Arizona, and lay off a quarter of its workforce. Page 19

COMMERCIAL Union and General Accident, leading UK composite insurers reported returns to profit in the third quarter. CU made £8.2m ($11.6m) before tax and GA £12.7m. Page 22

JAPAN'S five major steelmakers reported poor results for the September half. Page 20

Reagan delivers ultimatum on US debt ceiling

BY REGINALD DALE, US EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan yesterday turned up the heat on Congress on the eve of his departure for the Geneva summit, ordering the government to stop paying its bills tomorrow if the national debt ceiling was not raised in the next 24 hours.

"We are not going to issue cheques that bounce," said Mr Larry Speakes, the White House spokesman.

Warning of the dire consequences of a government default, the White House said that it would nevertheless oppose a stop-gap measure – to raise the debt ceiling for a month, by $80bn – that was adopted by the Democrat-led House of Representatives yesterday.

The White House, however, stopped short of threatening to veto the stop-gap measure, suggesting that Mr Reagan might finally settle for it if his brinkmanship failed to produce a more lasting solution.

Mr James Baker, the Treasury Secretary, said that Congress would be "shirking its responsibilities" if it passed a short-term extension of the limit without simultaneously acting on companion legislation to reduce the budget deficit under the so-called Gramm-Rudman amendment.

Mr Tip O'Neill, the Democratic Speaker of the House, said he wanted the stop-gap measure to allow more time for a Senate-House conference committee to resolve differences between the two chambers on the budget plan.

The White House, however, said that Congress had had plenty of time to consider both the debt ceiling increase and the budget plan, which aims to eliminate the deficit by the early 1990s.

With Mr Reagan due to leave for Geneva on Saturday morning, Mr Speakes called for action on both fronts before the government ran out of funds tonight. The Treasury, which has already reached its $1,824bn borrowing limit, needs more cash by tomorrow.

Failure to raise the debt ceiling would not prevent the government from functioning, Mr Speakes said. But it would stop paying its suppliers' bills and wages to its employees, including the military. Government benefits and transfers to state and local authorities would be halted.

Mr Baker said that the US would be forced to renege on payments of principal and interest on government securities held by both domestic and international investors. That would "destroy the confidence of the markets," and possibly result in an increase in interest rates "across the board." The federal deficit, which the Gramm-Rudman proposal was meant to reduce, would instead increase, he said.

A federal default would destroy one of the principles "that separates this country from other nations." Mr Baker told a White House briefing. In contrast to a number of other countries, the US had always honoured its debts. "This is not a minor economic event," he said.

"This is not the usual shutdown exercise," said Mr James Miller, the Budget Director, in reference to previous debt limit crises when the government has temporarily sent employees home without pay.

Asked whether the government might be "crying wolf" and still have some sources of cash, Mr Baker adamantly insisted that "we have run out of string." He said that the only alternative left would be to sell the country's gold reserves, an option that Mr Reagan has already ruled out.

Mr O'Neill, however, predicted that Congress would pass legislation raising the debt ceiling before Mr Reagan left for the summit. Mr Reagan was in no position to refuse the short-term extension. "We don't want to be a defaulting nation when he goes to Geneva," Mr O'Neill said.

The fate of the stop-gap measure was still uncertain in the Republican-controlled Senate last night.

LME may delay plan to resume tin trading

BY STEFAN WAGSTYL AND DAVID LASCELLES IN LONDON

THE LONDON Metal Exchange (LME) is set to postpone next Monday's planned reopening of tin trading to give the International Tin Council more time to solve the crisis that has crippled the market for the last three weeks.

Its expected decision follows the announcement of a £900m ($1.27bn) plan – backed by threats of legal action – to refinance the tin market, put forward by the ITC's 16 creditor banks, with the support of some 20 other banks that have lent money to the LME, and of LME brokers.

The banks' plan assumes, for the first time, that the tin council, which has administered a price pact for nearly 30 years, will wind itself down.

The LME, the world's leading metal market, has changed its mind reluctantly in the face of intense pressure from the council's creditors, who argued against imposing such a tight deadline on the ITC.

The tin council, which has run up huge debts in administering a price pact between consumer and producer countries, will consider the banks' proposal at its emergency meeting today.

Sir Adam Ridley, the director of Hambros Bank, who is acting as spokesman for the creditor banks, said that governments must accept their responsibilities and that speed was now needed. "The banks do not believe in false deadlines."

The threat of legal action from the banks will concentrate delegates' minds. For the first time, the banks have given warning that they might call the ITC in default and also possibly its 22 member governments. That in turn might trigger cross-defaults on other international loans.

The banks assume the tin council is ready to end its price-support operations in an orderly way. They are said to be ready to extend finance for up to three years. But in return they want guarantees from the tin council's member states – a condition some ITC delegates have

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Editorial comment, Page 16; Feature, Page 10

Paris prepared to match US on terms of export finance

BY DAVID MARSH AND DAVID HOUSEGO IN PARIS

THE FRENCH Government said yesterday that it would match new concessionary finance offered by the US if this was necessary to secure key Third World export contracts.

But Mrs Edith Cresson, the French Minister of Industry and External Trade, played down the US Export Import Bank's announcement on Tuesday of $280m worth of fresh concessionary financing to back US exporters in competition with France as a measure aimed at appeasing US protectionist lobbies. Leaving little doubt that France was anxious to avoid a fresh battle over export credits, Mrs Cresson described the move as "gesticulatory rather than operational" and said that it should be treated calmly.

Replying to questions on the US announcement, Mrs Cresson put the move in the context of a long series of US protectionist measures that included action against imports of EEC steel and Italian pasta. She said that similar US threats to subsidise US wheat exporters in competition with France had not prevented France from recently selling 200,000 tonnes of wheat to Algeria.

The French Government, given its current budgetary problems, would in practice find it difficult to match the $69m grant element in the US offer. Mrs Cresson said that there were other means of aiding exports apart from mixed credits. In the case of the Algerian metro, she said that the French offer was the more attractive in terms of quality and price.

The American step is the latest move in long-running wrangling between the US, the EEC and Japan over the proportion of world trade being financed by "mixed credits" in which commercial export loans are linked with aid funding.

The overall amount of mixed credit business has declined during the last two years, according to figures from the Organisation for Economic Co-operation and Development. But France provides the largest quantity of mixed credits of any OECD country as part of a policy which first started 20 years ago and now benefits about 40 developing nations.

Officials flatly reject US suggestions that the minimum percentage of aid in mixed credits should be increased to 50 per cent from 25 per cent in order to make such deals too costly for exporting countries.

France says that other EEC countries agree that such a measure would end up reducing overall development aid and would be contradictory to the US ideal of reducing, rather than increasing the aid element in commercial loan packages.

French mixed credits have been roughly stable at around FFr 5bn to FFr 7bn ($625m to $875m) a year over the last four years, in terms of loans paid out, officials say. The credits are made up of 30 to 50 per cent low-cost, long maturity loans from the Treasury and 50 to 70 per cent of export credit funds made at rates in line with the OECD's Consensus rules.

The overall amount works out at least more than 1 per cent of total French exports, and 5 to 10 per cent of total public French export finance.

"The Americans are making us

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Thatcher insists UK is not reflating economy

By Peter Riddell in London

THE BRITISH Government is not moving in a reflationary direction and financial policy will continue to be "very conservative," Mrs Margaret Thatcher claimed yesterday in an interview with the Financial Times.

During a wide-ranging, hour-long interview in Downing Street, the UK Prime Minister said she needed another five years to entrench changes in the country's political attitudes, which would kill socialism in Britain.

She also discussed her unfinished agenda, including sale of state assets, and did not disguise her irritation with recent criticisms of Government policy by Lord Stockton, the former Conservative Prime Minister, Mr Harold Macmillan.

Mrs Thatcher was characteristically blunt in denying that the increase in spending in some programmes and the expanded privatisation announced in Tuesday's economic statement represented a change in policy.

In face of criticism by financial analysts and the press, she said that even if the proceeds from asset sales were added to public borrowing, policy would still be tight.

She also confirmed that Britain was not about to join the exchange rate mechanism of the European Monetary System. She said the UK would join the EMS when the time was ripe, but that was not yet. Sterling was still sufficiently different from other European currencies to be buffeted about by some things that would not affect them. But, "we will go in one day," she said.

Mrs Thatcher said that Britain still "had far too much in the public sector." The electricity industry was earmarked for privatisation, but she conceded that coal was fairly far down the list. She could not think that British Rail would ever leave the public sector.

She expressed concern about the more rapid rise in unit labour costs in Britain than in other countries.

Mrs Thatcher presented the political choices facing Britain in stark moral terms, a theme taken up in a major lecture last night by Mr Norman Tebbit, the Conservative Party chairman, who warned that the British electorate could not relax.

It still had to be vigilant at the next election in choosing between freedom and the drift to serfdom under the opposition parties, he said.

Interview, Page 16; Interest rates to stay high, Page 18

Israeli rift as Peres plans to sack Sharon

BY WALTER ELLIS IN TEL AVIV

ISRAEL'S coalition Government was in jeopardy last night after Prime Minister Shimon Peres said he intended to fire Mr Ariel Sharon, the outspoken Trade and Industry Minister, for remarks critical of him.

Mr Peres rejected a partial apology from the right-wing former general, saying that only a public expression of confidence in his leadership from Mr Sharon would save the minister's job.

Failure to patch up the quarrel would almost certainly lead to the collapse of the Government and, in this event, Mr Peres might seek parliamentary support for a minority administration. He could also opt for a snap general election if he gauged that public opinion was behind his efforts to reach a comprehensive Middle East settlement.

Mr Sharon is the foremost critic among rival Likud ministers of the Prime Minister's current initiative on peace with Jordan and this week said Mr Peres had allowed Israel to sacrifice its self-respect. He also characterised King Hussein as "the hyena in Amman" this week and spoke of President Hosni Mubarak as "the Egyptian evildoer."

Mr Peres denounced Mr Sharon's remarks on Tuesday as "foreign to Israel" and said they would not be tolerated in any democratic government in the world.

Under the terms of the coalition accord between Mr Peres' Labour Party and Likud, no minister can be dismissed without the consent of both party leaders. But because Mr Yitzhak Shamir, the Foreign Minister and Likud leader, would not agree to Mr Sharon's dismissal, Mr Peres yesterday invoked his powers as Prime Minister to perform the task on his own.

An extraordinary session of the Cabinet was held last night in Jerusalem in an attempt to resolve the situation.

Just before the meeting convened, Mr Sharon announced on Israel army radio that if comments of his had been construed as a direct insult to the Prime Minister, then be apologised. The unity Government was important to him, he said. But he refused to retract the substance of his remarks.

Acceptance by Mr Peres of Mr Sharon's part apology was obviously one way out of the crisis. Acceptance by the Likud of the Trade Minister's dismissal would strengthen Mr Peres' position immeasurably

A Cabinet communique issued after neary 3 hours of discussions confirmed that a dismissal letter had been laid on the table by Mr Peres. However, it was also made clear that the letter remained pending, and that the possibility was still there for Mr Sharon to apologise more forceably and thus retain his post.

Jordan and Syria near accord, Page 18

Blaupunkt to buy 20% of Grundig

BY JOHN DAVIES IN FRANKFURT

BLAUPUNKT, the West German audio-video group, is to take a 20 per cent stake in its rival, Grundig, as part of a wide-ranging co-operation agreement aimed at reducing over-capacity in the western European consumer electronics industry and strengthening its competitiveness against Japan.

Under the deal, Blaupunkt, controlled by Robert Bosch, the West German electronics and automotive parts group, will cease production of colour televisions. Instead, it will be supplied by Grundig, which is controlled by Philips, the Dutch electrical group. In turn, Grundig will phase out car radio manufacture and be supplied by Blaupunkt.

To underline their co-operation, Blaupunkt is to take a 20 per cent stake in Grundig within about two years, probably from the bank consortium which is now among Grundig's owners.

The two companies will continue to compete with each other on sales.

The link-up forms part of general European efforts to strengthen the consumer electronics sector in the face of tough price competition. Mr Hermanus Koning, Grundig's Dutch chief executive, has been urging cuts in European production capacity, which has been growing because of improved techniques.

The transfer of work between Grundig and Blaupunkt will be phased over two years, starting in the middle of next year.

Blaupunkt will place business

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EUROPEAN NEWS

Honecker discusses visit to Saarland

By Leslie Colitt in East Berlin

MR ERICH HONECKER, the East German leader, said yesterday he was looking forward to returning to his West German birthplace, the Saarland, during what would be the first visit to West Germany by an East German Communist Party chief.

Mr Honecker discussed a possible visit to West Germany in talks with Mr Oskar Lafontaine, the visiting Prime Minister of the Saarland.

Speculation in West Germany has increased over n visit by Mr Honecker to Bonn and the Saarland after the Geneva talks between President Ronald Reagan and the Soviet leader Mr Mikhail Gorbachev.

Mr Helmut Kohl, the West German Chancellor, said in n newspaper interview yesterday that such n visit would be "very useful" in the near future and that it was up to the East German leader to set a date.

Mr Honecker was thwarted by the Soviet leadership from making n planned trip to West Germany in September last year.

Moscow had indicated that its relations with Washington took precedence over a dialogue between the two German states, which it has always regarded with mixed emotions.

Mr Honecker has tried to convince his Soviet ally that any talks he had with Mr Kohl would further the interests of the "entire socialist community."

Mr Lafontaine, who belongs to the left wing of the Social Democrat Party (SPD) was feted like a national leader. Mr Honecker gave an interview to a newspaper in Saarbrücken saying a visit by him to West Germany would "naturally" include the Saarland, where he spent his youth.

In the interview he said East Germany was considering a request by the town of Saarlouis to be the twin with the East German town of Halberstadt.

East Germany had rejected all such cootacts since the late 1960s out of fear that too many persooal ties might develop between the East and West Germans. Before that, East Germany was strongly in favour of such links with West Germany, while Bonn objected.

Greece's shipping industry urges policy reforms

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE'S TROUBLED shipping industry is urging the creation of a Hellenic equivalent of London's Baltic Exchange for shipping and freight exchange in a bid to attarct more business.

The recommendntion was made by the Hellenic Chamber of Shipping in a proposal to the Merchant Marine Ministry. The Chamber is urging the Government office to establish a Mediterranean and International freight exchange in Athen's port of Piraeus, as one proposal in a 19-page blneprint for a new national shipping policy.

"The continuing crisis in international shipping, and its repercussions on the Greek fleet and the infrastructure supporting it in Greece, demand coordination on a national level in order to survive in the short-term and develop shipping activity in the long-term," the Chamber noted in an introduction to the main text of its policy blue-print.

Greece's merchant fleet, in the largest in the European Community, declined by 1,000 vessels to a total of 2,111 between January 1982 and January 1985. About 38 per cent of the total EEC tonnage flies the Greek flag.

The blue-print recommends as a "necessity" regulations allowing banks involved exclusively with shipping financing to operate in Greece, not subject to the Bank of Greece exchange control system.

It calls for the setting up of free ports, noting that the idea "has been continually gaining ground in neighbouring countries such as Turkey and Italy."

It suggests the creation of a National Port Anthority to develop and modernise the country's ports, stressing particularly the need to improve telecommunications.

It suggests setting up special shipping courts in Pireaus, and suggests the setting up of a body "similar to Lloyds" to co-ordinate and develop the Greek marine insurance market. In the Chamber's view this currently inspires little confidence in Greek shipowners.

On the shipbuilding front the Chamber recommends the merger of existing ailing shipyards, and a comprehensive scrap and build programme backed up by long-term credits and other incentives.

It strongly recommends doing away with disincentives such as complex customs bureaucracy for bringing spare parts into Greece.

The chamber urges the Ministry to pay particular attention to developing the cruise sector, which in its view has the greatest potential for pulling out of the current economic recession in the near future.

Internal Spanish flights hit by controllers' strike

BY TOM BURNS IN MADRID

STRIKING air traffic controllers at Madrid Airport and at Las Palmas airport in the Canary Islands yesterday grounded dozens of internal Spanish flights but the industrial action had only a limited impact on European connections. Transatlantic routes were not affected.

The strike, which is expected to continue at both airports for a second day today, was called to press for wage increases, shorter hours and improved equipment. Controllers plan a two-day national walkout on November 18 and 19.

The chief casualty of yesterday's action was the Barcelona-Madrid shuttle service. Iberia cancelled all but 18 of the 52 flights linking the two cities ove a 24-hour period.

The majority of European flights were unaffected due to legislation which ensures minimum services from controllers.

Last minute talks to avert the stoppages broke down when the traffic-control unions insisted on salary demands which transport ministry officials said represent a 70 per cent wage rise.

Resignation exposes Portuguese party split

By Diana Smith in Lisbon

THE SUDDEN resignation this week of the entire Conservative council of Portugal's newest political movement, the Democratic Renewal Party (PRD) has exposed severe internal tensions in the party.

The departing councillors are all prominent supporters of General Antonio Ramalho Eanes, the outgoing President of the Republic.

The PRD, which won a surprising 18 per cent of the votes in the October general election, was formed in January this year.

It was supposed to give Gen Eanes broad-based national support after he ends his nine-year presidential mandate in January 1986

But, after using the President's image and the active participation of his wife in its October campaign, the PRD began to thwart its star sponsor and display the same squabbles between jostling factions that have dogged other Portuguese parties.

The PRD refused to back Gen Eanes' chosen candidate for next January's presidential election, the austere Colonel Costas Braz, who heads Portugal's anti-corruption bureau. Furthermore, former military associates of the President who were instrumental in the genesis of the PRD have openly supported Ms Maria de Lourdes Pintasilgo, a maverick presidential candidate.

Ms Pintasilgo, once n member of Gen Eanes' close circle, displeased him when she announced her bid for the presidency without first consulting him.

It now emerges that the PRD is split into three factions: pro-Eanes, pro-Pintasilgo, and the pro-armed forces movement, the left-wing military movement created in revolutionary 1975

The image of serenity and efficiency – cultivated by the PRD to demonstrate its difference from other Portuguese parties – cracked when the authorities obliged the applications of its Lisbon candidates for the December 15 general election to be withdrawn because they were handed in too late and contained serious irregularities.

W. Germany faces labour unrest over strike laws

BY PETER BRUCE IN BONN

WEST GERMANY is facing a potentially serious bout of labour unrest over the next few months as employers and large sections of the Government press ahead with their attempts to make the laws governing strikes in the country more restrictive.

Yesterday I. G. Metall, the biggest trada union in the country with 2.5m members, announced it would begin a campaign in factories throughout Germany in December in "defence of tha atrike laws and to secure democracy."

The I. G. Metall, whicb last year led a crippling seven-week strike in support of a 35-hour working week, did not say in its announcement what form the campaign wonld take but union officials in Frankfurt said factory-based "demonstrations and protests" were being planned. Other West German unions were being asked to join in the effort, one official said.

The I. G. Metall and many other unions, have begun to express profound concern in the past few weeks over an attempt, led by the Free Democrats (FDP), junior partners in the Conservative Bonn coalition, supported by about 130 MP'a from the other two parties, Cbancellor Helmut Kohl's Christian Democrats (CDU) and the Bavarian Christian Social Union (CSU), to scrap a paragraph in labour law which allows for tba federal labour office to pay workers in factories which are forced to close because of strika action in customer or supplier plants.

The "loophola" was thrown into stark relief during the IG Metall strike last year when ptants outside tha designated strike area, the states of Hessen and Baden-Wuerttemberg, were forced to close temporarily and the tabour office refused to pay benefit to the affected workers.

A court eventually forced the office to pay, costing the state some DM 200m (£54m) and since then the FDP and em? ployers have been trying to perauade the Government to change tha offending lagislation—paragraph 116 of the Arbeitsfoerderungsgesetz.

Mr Kohl, wary of challenging the unions slightly more than a year ahead of the next general election—scheduled for January 1987 — and desperate not to upset a gentle recovery in th edomestic economy, has so far managed to distance himself from efforts to change the law, but be has now said the employers and unions should try to find a compromise on the issue before tha end of the year.

He has implied that if a compromise is not found, the Government would be forced to act and the union fear is that that would inevitably lead to changes in favour of the employers.

Unions concede it would be much more difficult to strike if indirectly affected workers were not paid benefit by the labour office. "We simply would not have the money to do it ourselves," one I. G. Metal official said, and even nnion laaders who are members of the CDU have begun to warn that a change in paragraph 116 would fundamentally alter the delicate balance of power between West German business and the trade unions.

Inside the more agressive unions like I. G. Metall, there is already talk of a national strike should the law he replaced, and there does not aeem to be much bope of the unions or employers reaching a compromise before the end of the year.

Dutch stock exchange commissions reduced

By Laura Raun in Amsterdam

THE Amsterdam Stock Exchange will sharply cut its trading commissions for the second time in a year, a competitive move aimed at recouping business lost to London and tbe second bid this week to bolster Amsterdam's financial position.

The new commission schedule, which takes effect on January 1 1986 will benefit medium-size investors in addition to the large investora who gained from the November 1984 commission rednetions.

The fees on equity trades will be pared more than those on bond transactions so that the two schedules will he closely in line beginning next year.

The discounted commissions step short of London'a unofficially negotiated fees, bnt they mark a furtber relaxation of Amsterdam's fixed rates, which nntil last year were the seeand-highest in Europe next to Zurich.

Amsterdam ranks third among European bourses following London and West Germany, with annual turnover of $12.5bn.

In another competitive move revealed earlier this week, the Dutch capital market will be complelely opened beginning January 1 to allow foreign banks to lead manage issues, tha offering of new instruments

The Netberlands aggressive tactics are a direct response to deregulation of financial markets elsewhere tn Enrope, notably in London and West Germany.

Amsterdam stock brokers have complained bitterly for years that increasing amounts of business in Dutch securities were being lost to London because of its negotiated commissions.

EEC promotes industrial relations

BY QUENTIN PEEL IN STRASBOURG AND JOHN LLOYD

EUROPEAN LEADERS of both employers' and trade union organisations have agreed to launch a new effort at an industrial dialogue as part of the European Commission's initiative to cut unemployment through investment.

Both sides of the industrial divide met in Brussels under the chairmanship of Mr Jacques Delors, the president of the Commission, and pledged tbeir support for a European-wide strategy of technological development and job creation.

In a memorandum presented to the meeting, Mr Delors argued that without faster growth and thns a substantial reduction in unemployment, "the consequences would be serioua for social peace, for the authority of Governments and for democracy."

He says that the first priority for entrepreneurs was to increase tbeir propensity to invest: to do so, the rate of profitability should be increased. This would demand the continuation of "moderate" wage rises, coupled with the "safeguarding of an adequate level of demand" by governments.

Mr Delors said that greater wage differentiation and reductions of working time should be examined for their job creating potential.

Significantly, the paper spells out that "as far as at all possible . . . economic efficiency should be reconciled with tbe maintenance and further development of social achievements."

The UK Government, with Lord Young, the Employment Secretary, in the lead, is seeking to halt the raft of social legislation now prepared by the EEC, and to roll back what is already on the statute books.

The aim of the Commission is to win trade union approval for faster investment tn new technologies, more job flexibility and wage restraint, matched by a commitment fro mthe employers to support social measures to ensure that investment helps to create new jobs rather than to replace them.

At the same time Mr Delors is seeking the support of the EEC member states for more public expenditure to expand economic demand wherever they hava the room for manoeuvre: West Germany is urged to take the lead, followed as rapidly as possible by countries like the UK, Denmark, the Netherlands and France.

The Brussels meeting was attended by teams from the union of European employer organisations (Unice), and the European Trade Union Confederation (ETUC), as well as by Mr Delors and fellow commissioners.

The industrial leaders gave their endorsement to the broad outline of the Comission strategy, and agreed to revive the "social dialogue" by setting up two joint working groups.

One will attempt to define a common employer and union strategy for the introduction of new technology, while the other will revive general economic policy and job creation measures.

The next phase in the Commission's strategy will be the presentation of its annual economic report, which spells out the strategy in considerable detail, to the Luxembourg summit of EEC leaders in December.

Scepticism greets strategy to restrict cereal output

BY IVO DAWNAY IN BRUSSELS

THE EEC Commission yesterday agreed an outline strategy for restricting the Community burgeoning output of cereals. But the scheme—centred on a producer tax and quality controls—immediately encountered widespread scepticism from agricultural experts.

The new approach, as yet only a discussion document, all but abandons the possibility of sharp cuts in guaranteed prices in favour of a so-called "co-responsibility levy," to be raised on all farmers producing more than 25 tonnes a year.

It also proposes a 5 per cent differential between the prices paid for high and low grade grains, and tougher standards on the unsold stocks farmers may deliver

But, while the package may well receive the broad agreement from Farm Ministers, many believe it eannot contain production.

Presenting the proposals yesterday, Mr Frans Andriessen, the Farm Commissioner, warned that current rates of production would mean farmers would produce double the Community's internal demand by 1991.

"Such a situation is physically, economically and politically indefensible," he said.

The impact of the programme, if approved, is likely to fall most heavily on British cereals farmers who produce large quantities of poor grade grains. The exemption for those producing under 25 tonnes will favour West Germany whicb has large numbers of small producers.

According to Mr Andriessen, this will exclude 60 per cent of farmers who contribute just 25 per cent of total EEC output.

The schema appears acceptable to most member states with the exception of the UK

Howe spells out British view of Parliament's role

BY OUR BRUSSELS CORRESPONDENT

SIR GEOFFREY HOWE, the British Foreign Secretary, yesterday abandoned his traditional native caution, and appeared in the lion's den of Euro-fanatics, the European Parliament.

He came to spell out a message of British enthusiasm for the institution where his Prime Minister, Mrs Margaret Thatcher, is regarded as a byeword for chauvinism and die-hard resistance to the ultimate goal of European Union.

"Britain is absolutely sincere in waoting to improve the effectiveness and influence of the European Parliament," Sir Geoffrey declared, to the consternation of those who thought he represented the other side.

But then came the rub. "We do not believe this can be done by changing the fundamental relationship between the Community institutions, or by adopting procedures that will retard decision-taking."

The aim of the visit was clearly to head off the gathering storm of disapproval from MEPs at the slow progress by the member-states in reforming the Treaty of Rome.

Sir Geoffrey insisted that the UK wanted to involve the Parliament more closely in the decisions of the Council of Ministers, while making sure that the council retains the final authority.

"We want it to have the ability to initiate proposals," he said. It should also have the right to be consulted, "combined with the right to influence the legislative process more effectively before the council has the last word."

That vision falls a long way short of the right of amendment and veto over EEC policy sought by an overwhelming majority in the Parliament, but Sir Geoffrey's mission was nonetheless successful in winning some influence.

Mitterrand bid to boost party

BY DAVID HOUSEGO IN PARIS

PRESIDENT Francoia Mitterrand is to hold a press conference in a week's time elearly aimed at boosting tbe image of the French Socialist Party in advance of the March Parliamentary alections.

The press eonference, which developed as an institution under de Gaulle for tbe President to make known his policies, will be only the fourth that Mr Mitterrand has held dnring bis almost five years in office.

The Elysée said yesterday that Mr Mitterrand would answer questions on political, economic and international issues.

It will probably be the last major opportunity tbat Mr Mitterrand will bave to influence public opinion in advance of the elections, as theoretically under the Fifth Republic the President stands apart from tbe fray.

The Socialists have already announced that they will officially launcb their campaign on November 29 with a meeting in Paris in wbicb Mr Lanrent Fabius, the Prime Minister, and Mr Lionei Jospin, First Secretary of the Socialist Party, will be the major speakers.

After tbe election—if the Right gains a majority in the National Assembly as is still widely assumed—it will be increasingly difficult for Mr Mitterrand to speak bis mind in public.

Public-opinion poll specialists believe that the Socialist Party cannot improve its performance in March if there is no improvement in the President's standing.

The Socialists are currently thought likely to win about 26 per cent of the vote, which would leave them in a minority in the National Assembly.

The need for the President to boost the party'a image bas grown stronger as the result of tbe dwindling prestige of Mr Fabius.

Mr Fabius'a rating in the opinion polls dropped sharply after his poor performance on television a fortnight ago in a debate with Mr Jacques Chirac.

In political terms, Mr Mitterrand's goal will be to put across the left's success in bringing ing the economy, while insistdown inflation and restructuring on the differences that still separata the programmes of left and right.

Moscow faces 'oil output crisis'

BY WILLIAM HALL IN NEW YORK

THE SOVIET UNION, the world's largest oil producer, faces a growing production crisis that could throttle its economic growth and seriously reduce its oil and gas exports whicb account for 80 per cent of its hard currency earnings.

The Soviet oil industry bas been on a "virtual war footing" since 1977 which bas enabled it to maintain oil output above the 12m barrels a day level but production is expected to fall by as mucb as 500,000 b/d this year and continue declining, according to a study by Cambridge Energy Research Asssociates, a Massachusetts-based consultancy firm.

The study says that even if the new Soviet leaders increase oil investment in the second balf of the 1980s, as they did between 1978 and 1985, oil ontpnt by 1990 could well be 10-15 per cent lower than the forecast 11.8m b/d in 1985.

Dr Thane Gustafson, who wrote the study along with Dr Angela Dent, says that "the Soviet oil crisis is one of the most important challenges" facing the Soviet leader Mikhail Gorbachev, and notes that although several top Soviet oil officials have recently been fired, the problem of reversing the decline in output cannot be easily resolved.

The stndy notes that while the expansion of the Soviet natural gas Industry has been a "apectacular success story" — it has doubled production in less than a decade — It also faces problems.

It has not invested beavily in infrastructure to support the sharp increases in outpnt.

The Soviets have reacted to the 1984 decline in oil output by firing the oil minister and replacing bim by Mr Vasilii Dinkov the Gas Minister. There bas also been a whole sale purge of middle-level managers.

Dr Gustafson suggests that the new oil minister may well turn to Western imports for help in stabilising West Siberian oil production, while maintaining a cautious approach to risker, long-term alternatives such aa Arctic offshore development and enhanced oil recovery.

The Soviet Union and World Energy Markets, Cambridge Energy Research Associates, 56 John F. Kennedy Street, Suite 5, Combridge, Massachussetts 02138.

Investors warned against expecting instant benefits

BY WILLIAM DAWKINS IN GENEVA

FINANCIAL TIMES
VENTURE CAPITAL
CONFERENCE

A GROWING number of large industrial companies are recognising the value of venture capital investment as a way of identifying new products in markets undergoing fast technological change.

However, the benefits of corporate venturing are not as straight forward as is commonly imagined, delegates were told yesterday at the final session of the FT/Venture Economics Conference, Venture Capital in 1985 — the International Outlook.

Mr Richard Onians, chief executive of the US venture capital group, Baring Brothers Hambrecbt & Quist, told the conference: "The value of just observing venture capital activity will be just as important — if not more so — than the value of the portfolio companies in which the corporation has invested.

"Most of the benefits to the corporation will arise just by being there."

Any new technologies idenified by corporate venture-backed companies will be far more valuable than the compaines themselves, he explained.

It was unrealistie for large corporations to expect an exposure to venture eapital to improve current earnings. Any immediate benefits would he intangible. "We are talking about improving your skill base and marketing intelligence," said Mr Onians.

A firm sense of strategic direction balanced by a willingness to invest in "apparently irrelevant" ventures were important prerequisites for any company considering corporate venturing he said.

Dr Norman Fast, president of Venture Economics, said that there had been a "profound change in corporate attitudes" among large US companies in recent years so that they were now more ready to accept researcb ideas from outside their own organisations.

This bad been precipiated by a need — especially in mature industries like chemicals and machine tools — to keep pace with rapidly changing technologies. Small businesses, while frequently in the forefront of innovation, were under growing pressure to forge alliances with big corporations.

More large US corporations were now placing less emphasis in investing in tha small companiea sector for its own sake and more on using venture capital to forge marketing and licensing alliances with small enterprises.

Representatives of three large chemicals companies and the office automation group Olivetti outlined some of the practical benefits and challenges involved

Dr David Fyfe, Head of ICI agricultural division's planning department, said bis division was aiming to devote 25 per cent of its £1bn annual turnover to new business areas within the next 10 years.

Tha division had formed three joint ventures with Malborough; Teesside Managament, a venture capital group, in the past three years. One of these bad found a profitable use for a biodegradabla plastic which bad lain unexploited in the division's research department for 10 years.

Monsanto, the fifth largest chemicals company in the US has invested more than $50m in vanture capital funds since 1972 said Mr Jerry Benjamin, a member of the Advent Management team responsible for the corporation'a European venture capital interests.

An investment in Genentech, a small biotechnology company, led to a joint agreement to develop a growth hormone for increased milk production which is now well on the way to commercial production.

It also alerted Monsanto well in advance to the general opportunities presented by the energing biotechnology industry.

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OVERSEAS NEWS

Patti Waldmeir, recently in Maputo, looks at the effect of South African competitiveness

Pretoria flexes its economic muscles

WHILE THE front line states of southern Africa shudder at the possibility of South African retaliation against their fragile economies if major economic sanctions are imposed on Pretoria by the west, the economy of Mozambique is already suffering.

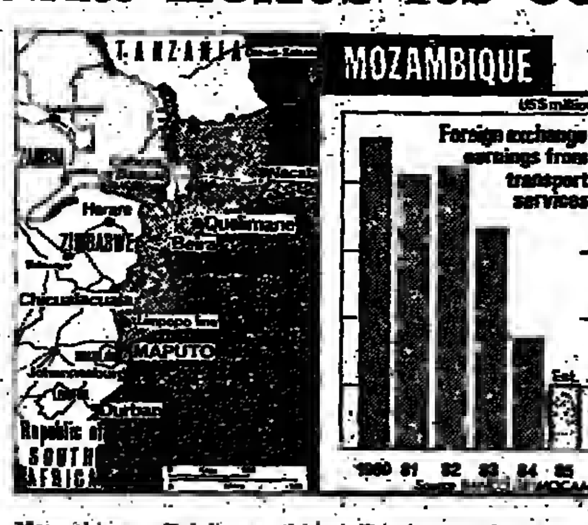
Despite the conclusion of the Nkomati non-aggression pact between Pretoria and Maputo in 1984, whieb was to have led to a resumption of normal commercial and political relations between the two sides, Mozambican officials accuse South Africa nf politically motivated "commercial aggression" against them.

According to the director of the southern Mozambican port of Maputo, Mr Francisco Diniz, this takes the form of heavy discounting of rail, port and shipping charges by South Africa for freight traffic from the Transvaal, Swaziland and Zimbabwe.

The ebeap rates, combined with sabotage of Mozambique's rail network by South African-backed guerrillas of the Mozambique National Resistance (MNR), bas led tn a sharp drop in traffie using Mapnto port, Mr Dinix says.

The effect is to deprive Mozambique of desperately needed foreign exchange revenue, providing an example of the kind of retaliatory actiou which Pretoria might take against its neighbours in response to the imposition of major economic sanctions by the west.

Mr Diniz accuses the South African Transport Services (Sats) and Safmarine, the state shipping company, of deliberately diverting traffic away from Maputo, the nearest port to the farms and industries of the northen and eastern Transvaal, Swaziland, southern Zimbabwe and Botswana.



Mozambican officials see this as an attempt to increase economic pressure on their Marxist-oriented Government at the same time as Pretoria continues to support its political destabilisation by providing supplies and logistical support to rebels fighting to overthrow President Samora Machel.

South African traffic through Maputo port has fallen from 6.5m tonnes in 1973 (prior to Mozambique's independance from Portugal) to only 1m tonnes today, 75 to 80 per cent of which is low-tariff cargo like eoal. While shipping officials say that inefficiency and insecurity at the port and railway have been depressing traffic for years, Mr Diniz argues that Sats' practice of offering contract rates on selected Transvaal and Zimbabwe cargoes which are 20 to 50 per cent cheaper than the normal rail tariff (coupled with preferential port and shipping rates) have substantially accelerated the decline.

Foreign exchange revenues from transport services have fallen from $92.6m in 1980 to an estimated $20m this year, a decline which the central bank attributes largely to diversion of traffic by South Africa coupled with MNR sabotage of the rails.

The conclusion of the Nkomati non-aggression pact between Pretoria and Maputo in 1984 had led to hopes of increased revenues from South African traffic through Maputo. Bnt according to Mr Diniz, Sats has actually stepped up its efforts ot deliberate diversion since the accord, attracting Zimbabwe's steel ond containerised tobacco exports to South Africa's Indian Ocean ports, and canned fruit and wood pulp from Swaziland.

Mr Diniz cites the extreme example of coffee exports from Zimbabwe's eastern highlands: be says Sats discounts make it cheaper to transport a container of coffee from Mutare tp the port of Durban, nearly 2,000 km away, than to send it 300 km to Beira port in Mozambique.

Mozambique argues that this practice violates a bilateral agreement in force between Sats and the Mozambican railways, CFM, which specifies that neither company will try to attract what Mr Diniz calls the "natural geo-economic" trade of the other.

In a limited number of cases, Mozambique has succeeded in persuading Sats to respect the accord, extending its cheaper rates to Maputo-bound traffic using the Sats network.

Diplomats and private shipping companies operating in Mozambique largely confirm the Mozambican allegations. The impact is significant. The Mozambique economy traditionally depends heavily on revenue from rail and port services to compensate for large external merchandise trade deficits.

Mr Diniz concedes, bowever, that Sats' policy is not the only factor in ensuring that Maputo port works at only 25 per cent of its 12m tonnes per year capacity: mismanagement, inefficiency and pilfering have also discouraged shippers.

Steps are being taken to tackle these problems, be says, citing an 80 per cent increase in port productivity since January this year. This followed a management reorganisation exercise and some $3m spent on rehabilitating eranes and mobile equipmeot at the port.

The time taken to clear goods through the port's container terminal has been reduced from an average of well over 90 days to below 40 days, but the comparable rate for South African ports is not more than five days.

Port charges are also under review. They are linked to the dollar but payable in South African rand: the currency's recent sharp depreciation has led to a significant rise in rand charges to port users, another deterrent to South African shippers.

The healthy operation of Mozambique's railways and ports — Maputo, Beira and Nacala—will clearly be critical to the southern African region's ability to withstand the impact of any future economic sanctions against Pretoria and ensuing retaliation by the republie.

For Zimbabwe, Swaziland and Malawi (which depend on Sats for 90, 70 and 60 per cent respectively of their transport needs) Mozambique's ports would be the only viable alternative if transport through South Africa were disrupted or if the republie closed its borders.

But all three ports are working at well below capacity. Rebel attacks have kept the Limpopo rail line between Mozambique and southern Zimbabwe closed for over a year.

The critical rail line from the northern port of Nacala to landlocked Malawi has been virtually closed since 1984, although work on a $200m French-Portuguese and Canadian-financed rehabilitation project for the line is now said to be progressing well.

The presence of some 2,000 Zimbabwe troops guarding the Beira-to-Mutare railway and oil pipeline (on which Zimbabwe relies for virtually all its fuel needs) is allowing this corridor to be kept open for Zimbabwe traffic at present. However, it is difficult to foresee a similar solution for Mozambique's other rail arteries.

The Zimbabwe army is unlikely to agree to extend its operations mueb beyond central Mozambique, and the countrys' own ormy remains dispirited, ill-paid and ill-fed.

Namibians kill six Swapo guerrillas in border raid

BY ANTHONY ROBINSON IN JOHANNESBURG

NAMIBIAN SECURITY forces crossed the Angolan border early yesterday morning and killed six South West African Peoples' Organisation (Swapo) guerrillas who had bombarded the Ruacana military base, 6 km from the boarder, with mortar, rockets and small arms.

One guerrilla was captured and he told security forces that an eight man Swapo team had crossed from Angola to take part in the attack. The security forces based in Windhoek, said they were hunting the eighth man.

A total of 550 Swapo guerrillas have been killed this year in military operations in the Ovamboland war zone and in cross-border operations into southern Angola. Swapo is fighting for independence for Namibia.

The last major cross-border raid took place in the third week of September when 500 Namibian and South African troops, backed by aircraft, took part in a week-long operation. This is believed to have been partly designed as a feint to assist the rebel Unita movement, led by Dr Jonas Savimbi, opposed to the Angolan government and which was foeing a two-pronged attack by Angolan government forces backed by Soviet and Cuban advisers.

Foreign and South African corespondents who flew to Dr Savimbi's southern Angola base of Jamba earlier this week were told that Angolan government forces were re-grouping for a resumed attack on Mavinga after re-grouping from the losses inflicted in an earlier attack.

● The South African police yesterday announced that they would no longer issue the names of people detained and released under the emergency regulations which have led to the detention of 5,253 people since July 21 of whom 3,063 have been released.

Among the latest batch of released detainees were four white civil rights and trade union activists who were arrested in Johannesburg the day after the emergency was declared and Dr Rashid Salojee, Transvaal President of the United Democratic Front, who has been treated under guard in the psychiatric wing of the Johannesburg hospital for the past month.

Chinese announce plan for civil code

By Robert Thomson in Peking

CHINA HAS announced that a draft of a eivil code has been prepared and is under examination by a standing committee of the National People's Congress, the Chinese version of a parliament.

Uotil now, China has had only a criminal code and a few select items of civil legislation, sueb as marriage and inheritance law.

The draft, which is likely to be considered at length and amended before it is adopted, contains 131 articles in eight chapters, and covers property relations, personal relations and the status of "legal persons."

The Chinese news agency, Xinhua, said the document of general principles is aimed as developing the socialist public system. It "is based on the constitution and China's actual situation, especially the new situation which has emerged in the economie restructuring, as well as the experience summed up in the judicial work of civil cases."

In explaining the draft, Wang Manbin, the standing committee's secretary-general reportedly said that it "complies with a socialist economy based on public ownership" and has "taken intn consideration some socialist characteristics including a planned market economy."

Wang said Chinese enterprises, mostly controlled by the Government or collectives, will become legal persons, which will be "of great importance to economic reform and China's opening to the outside world.

"The law sets forth the requirements for legal persons and also outlines how to exercise eivil rights and undertake civil responsibilities."

The draft, according to Xinhua, includes copyright, patent and trademark protection, and "provides that in signing economic contracts with foreign countries the parties concerned may choose laws applicable to the contracts, except for those cases for which specific laws and regulations apply."

Reagan swots up on Soviets for summit test

BY REGINALD DALE, US EDITOR, IN WASHINGTON

IF ALL goes according to plan, President Ronald Reagan will arrive at the Geneva summit next week like a carefully prepared student entering a final exam, well briefed but not crammed. The president's advisers bave had to walk e narrow line between overloading him with details thet he finds hard to master and leaving his mind so free thet he risks making embarrassing or provocative mistakes.

Nobody in the White House has forgotten Mr Reagan's disastrous performance in his first election campaign debate with Mr Walter Mondale, his Democratic rival, last year, when he floundered helplessly amid e sea of half-remembered facts and figures that had been intended to show his grasp of the issues. That disaster, his summit coaches insist, will not be repeeted in Geneva.

In training Mr Reagan for the summit, the focus has accordingly been "on the forest, not the trees." in the words of one official. Mr Reagan has been given, in small doses, a series of 25 concise hriefing memos, on a wide range of aspects of Soviet life, history, culture, economics and military thinking, to supplement his master briefing book. He has hed Soviet experts to lunch et the White House, including Mr Arkady Shevchenko, a promment Soviet defector, and he has done e lot of general reading.

Since the end of the summer holidays, be has been chairing meetings of the Netional Security Council, at a rate of one or two e week, as it has mulled over both general policies and specific issues for Geneva. He has sought advice, by telephone, from former Republican Presidents Nixon and Ford, and planned to talk to his Democratic predecessor, Mr Jimmy Carter, before leaving for Geneva on Saturday.

While Mr Reagan has never met e Soviet leader face to face in almost five years in the White House, each of his three predecessors had at least one meeting with Mr Leonid Brzhnev. A plan to bring all four living US presidents together for a top-level pre-Geneva seminar fell through.

The White House also decided egainst conducting a "mock" summit, of the sort staged for Mr Reagan in rehearsal for the seven-nation economic summit, which he bosted in Williamsburg in 1983. Then, his advisers each played the part of one of the western leaders. Similar rehearsals were held before each of Mr Reagan's Presidential campaign debates, egainst both Mr Carter and Mr Mondale.

Geneva, officials are insisting, is different. It is not an electoral debate, it will not be broadcast live on TV and Mr Reagan will not be alone on stage. His three trusty summit musketeers—Mr George Shultz, Secretary of State, Mr Robert McFarlane, national security edviser; and Mr Donald Regan, chief of Staff—will all be close at hand.

Mr Reagan has had practice enough in parrying qnestions in the series of pre-summit press and TV interviews that he has conducted over the past weeks, his advisers say.

Maximum use is being made of film, Mr Reagan's favourite medium, whether he is watching e screen or performing on it. Special videotapes have been made of Mr Gorbachev's past speeches and performances.

By emphasising a broad brush, if low-key approach, the White House wants to play to what it regards as Mr Reagan's strengths—his charm, self-confidence and skill at personal communication. He will, after all, not have to negotiate the details of the numbers of SS-20 and cruise missiles with Mr Gorbachev in Geneva—the principal aim is that he should establisb o working relationship.

In any case, as one official put it this week, there is no point in trying to stuff Mr Reegan with data at the last minute, when his views about the Soviet Union have been perfectly clear for the last 25 years.

"They are bent on world conquest, and what we're bent on is a strategy of deterring them from advancing their case by gunfire.

San Francisco Chronicle, July 7, 1977.

They have openly declared that the only morality they recognise is what will further their cause—meaning they reserve unto themselves the right to commit any crime, to lie, to cheat. . . . I think when you do business with them, even at a (time of) detente, you keep that in mind.

First White House news conference, January 29, 1981.

We are prepared for a positive change in Soviet-American relations. But the Soviet Union must show by deeds as well as words a sincere commitment to respect the rights and sovereignty of the family of nations.

State of the Union address, January 25, 1983.

They are the focus of evil in the modern world . . . so in your discussions of the nuclear freeze proposals, I urge you to beware the temptation . . . to ignore the facts of history and the aggressive impulses of an evil empire.

Speech to the National Associetion of Evangelicals, March 8, 1983.

My fellow Americans, I'm pleased to tell you today that I've signed legislation that will outlaw Russia for ever. We begin bombing in five minutes.

Joke inadvertently broadcast in radio microphone test, August 11, 1984.

I think that the most that we could get out (of the summit) is if we could eliminate some of the paranoia, if we could reduce the bestility, the suspicion that keeps our two countries . . . at odds with each other."

Interview with the BBC, October 29, 1985.

THE SUMMIT

President to cite human rights issue

President Ronald Reagan is ready to confront Mr Mikhail Gorbachev, the Soviet Leader, with specific cases of human rights violations, but be does not expect a major change in Soviet policy according to e senior US official. AP reports from Washington.

"We have no indication from the Soviets they are prepared to reach an understanding with us," said the official, who requested anonymity, who requested anonymity.

At the November 19-20 summit meeting in Geneva, Mr Reagan will cite the cases of members of divided families and others refused permission to leeve the country.

Some limited progress, particularly for Soviets separated from their American spouses, is more likely "in the near run" than vast reforms, said the official at the White House.

Democrats offer support

OPPOSITION democrats in the US House of Representatives yesterday declered their strong support for President Ronald Reagan at the summit with Mr Mikhail Gorbechev, the Soviet leader, next week. AP reports from Washington.

They said they expect "significant progress" at the superpower meeting.

"My political antenna say . . . (they) will have some type of agreement, that they will not come heck empty-hended," Mr Thomas O'Neill junior, Speaker of the House, told a news conference.

He led the Democrats in pledging "bipartisan willingness" to support agreements that come out of the Geneva meeting.

"When President Reagan meets witb Mr Gorbachev next week, he deserves the support of all Americans, regardless of party or philosophy," Mr O'Neill said. "In Geneva, there will he only one American spokesman, there will be only one American hoving both the autbority end tbe mandate to build a secure peace," be said.

The House democratic leadership issued a six-page etatement laying out whet it hopea will be the ogenda.

"The highest priority at Geneva is to take those steps possible to reduce the risk of nuclear wer," the statement said.

Betancur may face censure in Congress

BY SARITA KENDALL IN BOGOTA

THE COLOMBIAN Congress has begun e debate on the government's handling of the dramatic seizure last week of the Palece of Justice in Bogota by left-wing guerrillas. To dislodge the guerrillas, belonging to the April 19th Movement (M-19), President Belisario Betancur ordered in tanks and heavy weapons. So far 97 hodies have been recovered from the ruined building, inclnding those of 11 supreme court judges. Some 200 people escaped.

The debete could end in censure of the government. The political parties at first rallied round President Betancur but they have subsequently turned critical. The opposition Liberal Party is now claiming excess force was used.

President Betancur has defended his action in stark terms. The choice for Colombia lay "between democracy and terrorism, between law and crime, between freedom and fear," he said.

The incident has come at a delicate moment with the president now in the last year of office and with the election campaign already under way.

President Betacur's controversial amnesty and peace process negotiated in 1984 with M-19 and the largest group, the Moscow line Revolutionary Armed Forces of Colombia (FARC), has promised to be the most difficult legacy for his successor.

President Betancur achieved o major breakthrough wben on May 28 last year a truce came into effect after the commanders of FARC's 27 fronts signed a ceasefire. M-19 signed a similar egreement in August 1984, both presided over hy a peace commission.

Now the army is expected to adopt e more aggressive and repressive role towards the guerrillas. The various guerrilla groups have hinted they may move closer together. In the last week there have been 24 persons killed as e result of clashes between the army and guerrillas in the south-western mountains. M-19 has vowed to carry out further operations and one newspeper columnist wrote that he shuddered to think what the group's thirst for revenge might produce.

Kidnapping, murder, extortion and combat have continued throughout the peece process. During the first balf of 1985 more than 130 people were kidnapped in Colombia. There has been fighting between the guerrilla groups themselves, while alliances have been forged and hroken.

Estimates of the number of guerrillas fighters in the country run from 4,000 to 12,000, belonging to at least eight separate organisations. Add to this a proliferation of dissident fronts and a peace commission's task is a daunting one.

Despite these violations, the FARC has stuck to its line that it will convert itself into a political party and participate in next yeer's elections. M-19 however in April decided to break the ceasefire claiming the army was not serious in letting the peace process work. Since then the group has had little public sympathy, being seen to prefer the gun to o geoerous offer to integrate into society.

The group has been increasingly labelled as terrorist and politically incoberent, especially following the deaths of several of its leaders and the strengthening of a marxist-militarist line.

During the nine months M-19 was above ground intensive urban political work ettracted recruits to the movement. But many were young and inexperienced. The strategy behind the seizure of the Palece of Justice appears a naive suicidal bid for populer support by holding justice to ransom.

President Betancur has pledged to continue the peace process. But the powerful military establishment has long believed that amnesties and truces simply give the guerrillae time to regroup and re-arm—and M-19 has proven the point dramatically.

In the next few weeks the ceasefire agreement with the FARC could come under strain. This is due to be renewed in December. Its renewal will be the litmus test for President Betancur'e dream of e negotiated end to Colombie's long history of guerrilla violence.

EEC backs return to democracy in Guatemala

BY ROBERT GRAHAM

THE EUROPEAN Community has taken a small but significant step in backing e return to democracy in Guatemala the country with the worst human rights record in central America. It has an undertaking to hold e ministerial meeting of the EEC and the five Central American countries plus Panama next year in Guatemala.

The meeting will be part of the new framework for economic co-operation and political consultation agreed on Tuesday The agreement envisages an annual meeting and Guatemale was selected as o gesture of encouragement to the new civilian government due to emerge following the run off of the presidential elections next month.

Guatemala has been under a succession of military regimes since 1954. But last month Gen Oscar Humberto Mejia, Guatemala's military ruler, stood back to observe perliamentary and presidential elections from the sidelines.

Obstacles ahead for development of East-West trade

BY LESLIE COLITT IN BERLIN

THE OUTLOOK for East-West trade during the next five-year plan from 1986 to 1990 is "very uncertain" and filled with potential obstacles according to an analysis of current and future trade between Comecon and the 24 countries of the Organisation for Economic Co-operation and Development (OECD) by the German Institute of Economic Research (DIW).

The West Berlin-based institute said that in the first half of this year five out of the seven European Comecon countries reported that their exports to OECD countries fell 15 per cent compared with the same period last year.

The sharpest drops were registered by the Soviet Union (minus 19.5 per cent), Hungary (minus 19 per cent) and Bulgaria (minus 8 per cent). Production shortfalls during last winter's severe cold triggered the fall in exports.

However, in the case of the Soviet Union a 4 per cent decline in its crucial oil production worsened the situation.

DIW said it would be very difficult for the affected East European countries to make up for the lost ground this year.

Fuels, raw materials, and semi-finished products made up 96 per cent of Soviet exports and 63 per cent of East European exports to OECD countries in 1983, a sharp increase over the level of 1970. The DIW said with this background it was doubtful whether the Comecon countries could boost their exports during the coming five-year plan to 1990.

The author of the report, Mr Heinrich Machowski, of DIW's Comecon section, said the Soviet Union's enormous earnings from energy exports in the last 15 years had masked its weakness in industrial exports. Moscow's energy deliveries to the West were likely to "stagnate," up to 1990 in real terms while prices were not expected to rise.

The setback came just as the Comecon countries had managed to boost their exports to the West by 10 per cent last year to $48bn after a modest rise of 4.5 per cent in 1983.

Imports from the West also recovered last year, rising 6 per cent to $42.5bn after falling 6.5 per cent over the two previous years.

The $5.5bn surplus in Comecon's OECD trade compared with surpluses of $4bn in 1983 and $2bn in 1982.

Bulgaria continued to conduct the lowest share of trade with the West last year – 11.7 per cent of its exports and 13.6 per cent of imports while Romania had the highest share of exports to the West (33.2 per cent) followed by East Germany (29.2 per cent), the Soviet Union (28.9 per cent) and Poland (24.1 per cent).

East Germany had the largest share of imports from the West (30.4 per cent) followed by the Soviet Union (30.1 per cent), Hungary (21.5 per cent) and Poland (19.1 per cent).

The institute said it was equally doubtful whether the small Comecon countries could modernise their industries and improve their range of goods in time to profit from the West's 4 per cent real annual increase in imports from Comecon, which could be expected over the next five years. Seen in this light, DIW noted, the prospects for Western exports to Comecon were "very uncertain."

It noted that in addition, Moscow called on its six European Comecon partners at the Comecon summit last year to reduce their trade deficits with the Soviet Union and to supply it with more higher-quality industrial goods in exchange for energy and raw materials.

World container fleet 'faces startling losses'

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE WORLD'S container shipping fleet will grow faster than traffic volumes for the rest of this century and there will be "some startling financial losses" in the short term, according to a new study.

World Container Data 1985 said the full force of the expansion by Evergreen of Taiwan and United States Lines, both with round-the-world services, was hitting the market as the seasonally slack November-February period was beginning.

This, it added, will mean that things "get measurably worse before they can start to improve." Evergreen does not publish its results, but McLean Industries (owner of US Lines) has forecast a 1985 loss.

Already, rapid fleet expansion has brought intense pressure on freight rates. The study said typical rates on major routes were now almost 30 per cent below 1976 when assessed in real money terms.

It calculated that the $8.6bn (£6.1bn) of revenues that 10 leading lines would generate this year would be 13 per cent below what they should be in relation to 1977 on the basis of price inflation since then.

Over the next 16 years, the study forecast that annual traffic growth would average nearly 6 per cent, less than the near 8 per cent estimated for expansion in fleet capacity.

The major container carriers would achieve net earnings this year of around $60 per container—expressed in TEU (20ft equivalent units), the industry measurement—about half the level it should be in real money values.

World Container Data 1985. Cost £74 overseas, £72 in UK. Published by Container Data, in association with Container Insight newsletter, 32 Main Street, Dalry, Kirkcudbrightshire, Scotland.

US chip makers see hope of recovery

By Louise Kehoe in San Francisco

THE KEY barometer of the battered US semiconductor industry's health, the book-to-bill ratio, rose slightly in October to its highest point in more than a year, giving chipmakers some hope of a recovery.

Orders taken in October rose 8 per cent to $506m, (£360m), driving the book-to-bill ratio up to 0.82. This means that for every $100m-worth of products shipped, the industry booked orders for $82m semi-conductor devices. In September, the ratio stood at 0.76.

The rising book-to-bill ratio probably means that the industry is limping towards a recovery, industry analysts said. The Semiconductor Industry Association (SIA), a US trade group which compiles the numbers, was cautious.

"There is reason to be encouraged, but there is reason to be cautious. I'd like to see the November numbers," said Thomas D. Hinkelman, association president.

The association did not revise its forecast of a 29 per cent decline in US semiconductors this year. The trade group is, however, hoping for a 25 per cent pick-up in 1986.

Industry analysts have described the association's 1986 forecast as "over-optimistic" and variously peg 1986 sales growth at 5-10 per cent.

Most do not anticipate a significant improvement until mid-year. Major manufacturers have warned that even when business picks up, earnings improvements will lag by several months.

Japanese win NZ$100m post office order

NEC Corporation of Japan has been awarded a NZ$100m (£40m) contract for digital electronic switching systems by the New Zealand Post Office Reuter reports.

NEC will supply about 100 digital switching systems over a five-year period from next year. The contract can be renewed for up to another five years.

The New Zealand Post Office had invited international bids for switching systems for use as main equipment in its projected integrated digital communications service network. Six major communications equipment manufacturers from six countries made bids by October.

According to NEC, the projected digital communications network will provide subscribers with digital data, voice and video services through the public telephone network.

India buys satellite

India signed a $70m (£50m) contract for a communications satellite from Ford Aerospace Communication Corp of California, government officials said, Reuter reports from New Delhi.

The Insat 1D satellite will be used for telecommunications and weather forecasting.

JAKARTA OFFERS MORE FLEXIBLE LNG TERMS

Indonesia in bid to win new gas sales pacts

BY PAUL BETTS IN EAST KALIMANTAN

INDONESIA, the world's leading exporter of liquefied natural gas (LNG), is for the first time granting more flexible terms for long-term LNG export contracts in an effort to secure new gas sales agreements in a depressed energy market. The move comes at a time of growing competition for LNG contracts.

Pertamina, the Indonesian state oil and gas group, is in final negotiations to supply Taiwan with about 1.5m tonnes of LNG a year for 20 years.

Pertamina agreed to relax its rigid take-or-pay clause for LNG contracts by granting Taiwan the flexibility to reduce its annual gas supplies under the contract by nearly 10 per cent.

In the past, Indonesia has insisted that customers pay for all the gas contracted even if they did not take the full amount in a given year.

Western oil industry officials said Indonesia had given Taiwan the option of reducing its annual supplies of Indonesian LNG by two shipments out of a total of 27 in an effort to clinch the deal.

Pertamina officials confirmed in Jakarta yesterday that they expected to sign the Taiwan contract in the first quarter of next year.

The Taiwan contract will enable the development, at a cost of $150m (£107m) of the Tambora gas field in the Mahakam River Delta in East Kalimantan (formerly Borneo) operated by the French Total oil group.

The project also envisages construction of a fifth 2m tonne-a-year LNG unit

The additional unit is expected to involve overall investments of about $600m including a new LNG ship. Bids for the extension of the plant are expected early next year to enable the new unit to start production in 1990.

Indonesia's more flexible approach to LNG contracts comes at a time of growing competition for the large Japanese LNG market from countries such as Brunei, Malaysia, the United Arab Emirates, Australia, Canada and Alaska.

Indonesia which exports 80m tonnes a year to Japan accounts for 54 per cent of Japanese LNG supplies.

Indonesia and Western oil companies are seeking new buyers for Indonesian LNG to develop the country's natural gas resources.

The country is also anxious to encourage new oil and gas development because these activities account for about 60 per cent of the country's foreign exchange earnings.

In East Kalimantan, the Total group would like to follow up the development of the Tambora gas field with a development of the large nearby Tunu gas discovery which would also involve building a $1bn LNG facility. But Total officials confirm that the Tunu project would depend on the demand.

Oil companies, which have been calling for improved fiscal incentives from the Government, have recently expressed concern at the Indonesian authorities' decision last week to dismiss 1,638 workers from Pertamina, Caltex and Tesoro in a new and unexpected "purge" in the Indonesian oil and gas sector.

The dismissed workers (962 at Pertamina, 637 at Caltex and 39 at Tesoro) have been accused by the Government of being Communist sympathisers.

Oil companies say that the latest anti-Communist crackdown has inevitably created an unsettling atmosphere and serious worries when dismissals involve skilled oil company-trained employees.

Amoco signs oil search accord with Chinese

AMOCO of the US has signed an agreement with China to explore for oil in the South China Sea where the company's chairman said there had been recent significant discoveries, Reuter reports from Peking.

Mr Richard Morrow, head of Amoco, said his company would bear full costs of exploration in the area, about 124 miles from Hong Kong in the Pearl River Basin.

"There have been two significant discoveries recently in areas close to ours and this has given us encouragement." Mr Morrow said.

The contract gives the China National Offshore Oil Corporation (CNOOC) the option to participate to a maximum of 51 per cent in development of any commercial discovery.

Showdown looms over textiles

BY NANCY DUNNE IN WASHINGTON

PREPARATIONS were under way yesterday for a showdown between President Ronald Reagan and the US Senate over controversial textile quota legislation which may bring protection for the US footwear and copper industries in its wake.

The Senate was expected to begin voting last night or today on 23 amendments to the bill, which would force South Korea, Taiwan, Hong Kong and other textile and clothing exporters to cut back sharply on shipments to the US.

As lobbyists moved to get last-minute support for the bill, Senator Dan Evans of Washington, an opponent, released a letter from President Reagan that warned of a veto.

The President said his Administration would continue to oppose foreign trade restrictions that hurt American business as well as any American legislation "that diminishes competition abroad or here in the US."

In recent weeks, support for the measure has seemed to be crumbling under the Administration's high-visibility campaign against "unfair trade practices" and moves against the strong dollar.

However, the Senators from the western mining states were enraged earlier this month by a presidential report to the Congress which spurned the idea of US-sponsored negotiations among the copper-producing nations to limit production.

The congressional copper caucus has thrown its support behind the textile legislation in exchange for an amendment that would order the President to hold talks with other copper producers.

It is not clear how many votes the caucus will add in the Senate, but any defections are worrisome to the Administration.

Senator Pete Domenici, New Mexico Republican and chairman of the Senate budget committee, said: "I have decided to do what I must, and to the extent that this is a change in my attitude with reference to textiles, so be it." At least two Senators were switching with him, he said.

While only a simply majority is needed to get the bill passed in the Senate, 67 votes would be needed to override a presidential veto.

The House has already voted to reduce clothing and textile imports by a vote of 262 to 159. The protectionists need 290 to override in the House.

Japan sets 1986 steel export quota to US

THE JAPANESE Ministry of International Trade and Industry (Miti) has set Japan's quota for steel exports to the US at 4.558m tonnes for 1986 under an agreement to restrict steel shipments to 5.8 per cent of apparent US consumption, Reuter reports from Tokyo.

The agreement went into effect on October 1, 1984. Steel exports to the US for the first 15 months were set at 5.991m tonnes, Miti officials said.

The new quota is based on U.S. estimates that apparent consumption of steel in 1986 will decline by 5.3 per cent from 1985's total to 87.697m tonnes, the officials said.

The 1986 quota will be revised quarterly, as US apparent consumption estimates are revised, the officials said.

THE MANAGEMENT PAGE: Marketing and Advertising

TV in Europe

Advertising potential elevated by satellite

BY FEONA McEWAN

WHAT does the King of Morocco bave in common with the burgbers of Belgium, the gnomes of Switzerland and the residents of Milton Keynes? The answer is that they see the same ads at the same time on their television screens (programmes too, come to that). This may in itself seem nothing momentous, but for advertisers which can now beam the same message into a dozen countries at one strike, it presents an important new marketing tool.

The medium, in this instance, is Music Box, one of s new breed of satellite television stations relaying ads and programmes around Europe. And the messages come from a United Nations of leading international compsnies including Swatch of Switzerland, Benetton of Italy, Mars and Coke of the US and Sony of Japan.

This, though still in its infancy, is pan-European advertising on a grander scale than ever before. It has existed to e limited degree ln the press, with up-msrket publications such as Time, Newsweek, the International Herald Tribune, the Wall Street Journal and the FT, as well as in-flight magazines. We are familiar too with tho "global" ad—the concept of one ad for many nations. These are still uncommon; examples include British Airways, which has been seen in some 33 countries, Coke, Marlboro and Pepsi. With satellite television, advertisers can reacb 11 countries and more at once, exposing Danes, Austrians, Italians and Icelanders to the same message.

Inevitably there are problems, not least the one of technology—namely the cabling of homes.

Of the 16 satellite channels currently broadcasting over Eorope, 11 carry advertising (either in spot or sponsorship form) and only two of these, according to Ogilvy & Matber's new media expert David Wood, are wbat he calls "principal channels." That is general entertainment stations with substantial pan-European audiences. These are Sky, Rupert Murdocb's general entertainment channel, Music Box, the all-day channel owned hy Thorn EMI Screen Entertainment, tbe Virgin Gronp and Yorkshire television: the rest come nowhere near. By the end of the year, both will he available in over 4m homes each. Sky already is.

Competition for viewers' attentions and advertisers' budgets, however, looks imminent in tho form of Superchannel, the proposed joint BBC/ITV stetion featuring general entertainment, whicb is scheduled to start hroadcasting next year.

In common with every new medium, teething troubles bave given sceptics in the advertisin industry a field day and still do to an extent. Main issues include the language barrier, legislation, and the fundamental prohlem of managing centralised strategies relating to budgets and creative approaches.

Winning advertisers' confidence, as the history of Channel 4 and TVam reminds us, is never lnstant. Sky showed a £8.6m deficit to the year end June 1985 but after a capital injection from owner Rupert Murdoch, a new sales team and improved geographical coverage, advertisers are now warming to the channel. Music Box, too, has emerged from a sticky financial patch and is claiming a rapid build up of advertisers.

Track record

So just what do the satellite ststions offer? Here we examine the two main English speaking and England-based channels. Sky has the longest track record (it pioneered the movement in 1982) and boasts the longest list of advertisers. "Roughly one-third of orders came from American companies, one third Japanese, 20 per cent from mainland Europe and the rest from Britain," saya sales director Tony Logie. "Nearly all the international names are bere," be adds, reeling off Canon, Digital, NEC, Kodak, Mattel, Nikon, Panasonic, Ford, Toyota, Xerox, Remington, Siemens, Unilever, Colgate and DHL, among others.

Sky currently reacbes 4.7m homes in some 13 countries wbere it transmits a maximum of 17 hours a day.

Actual viewership, Sky claims is around 10 per cent of all TV viewers in most countries where it is received. As a family entertaniment channel, Sky's audience covers all ages, and is marginally upmarket and youth-oriented.

Advertising revenue for 1984/85 was £2.55m. Logie expresses it differently—taking the first half of 1984 as 100, he says, revenue has abot np to 3,347 for tho second half of 1985. Much of this money, ha believes, is new money, with advertisers finding extra budgets to fund pan-European advertising.

Ads appear in natural breaks, for six minutes an hour which generates 100 minutes of new commercial airtime a day. (The UK is relatively well-served with 140 minutes already available but most European countriea are not—West Germany has 40 minutes and tha Netherlands 30 a day.

Music Box, which describes itself es "the only trans-European all day music TV channel" was launched in July 1984 and currently reaches over 3m homes in 11 countries officially.

The audience of what is primarily a pop music channel is composed of 15 to 25 year olds but "with a good coverage of 8 to 35 years," says chief executive Charles Levison. There are concerts, videos, ln-depth interviews, documentaries on music and other youth-related subjects like fashion, films and books. "Kinds in Germany can see wbat kids in France or Britain go for," says Maria Morgan, press officer.

Advertising revenue for Music Box ls expected to be between £1m and £2m for 1985, says Levison.

What then are tho problems of pan-European advertising by satellite? With three and a half years' experience of the satellite connection, much of it with Coke in the sponsorship area, Stewart Butterfield, European media director at McCann-Erickson has some answers. Initial considerations of a satellite campaign include legislation, copyright, funding, creative differences, and decision-making centres for both agency and advertiser.

What is clear, says Butterfield, is that size of client company doesn't mean it is any more geared up to coping with the new one-stop advertising medium. "Companies like Unilever still think in terms of national brands and national marketing."

One of the principsl hugbears is determining wbo pays for a European ad. "In my experience a central pot is rare," says Bntterfield. "Generally advertising hudgets coma from sales bases and these are structured nationally. Sometimes there are three or four sub-regions within Europe. There'a rarely a European marketing director with a pan-European budget."

The channel's sales directors bave horror stories too of meetings with as many as 10 different hrand directors who spend time hassling over who pays and whose sd was to be used.

International sales controller of Music Box, Mike Denholm, has an answer to that. "I don't sell pan-European advertising. I concentrate on local budgets of national brands and sell against what's offered in an agency's own country." This way be has a Sony ad out of a Dutch agency, a BMW ad out of a West German agency and be's delighted with a Nescafe ad, in English from a Dutch agency. "Ooly rarely are companies as organised as Mars. It co-ordinates out of Switzerland and bas a general manager who makes decisions and then charges the various zones a fee pro rata."

Quite apart from the financial considerations of funding the pan-European commercial there's the vital issue of a centralised creative approach, of how to communicate product benefits across national frontiers.

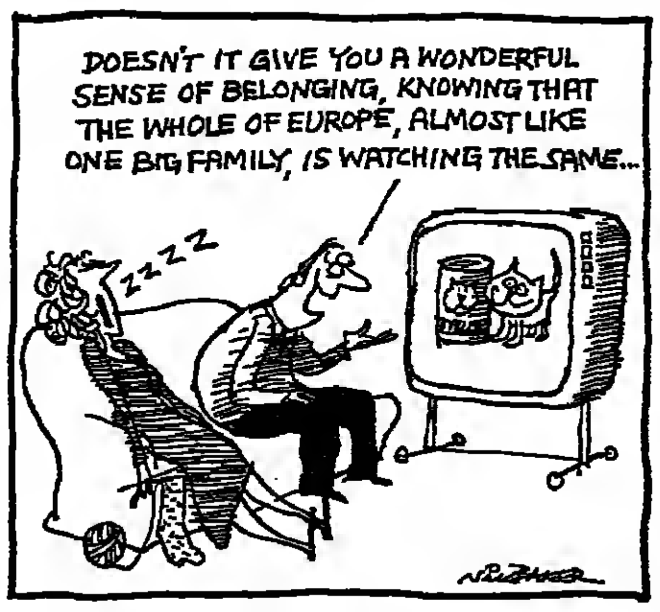
"It's a bighly complex issue," says Don Arlett, executive creativo director of Ogilvy & Mather in London. "You have to apply sophisticated criteris to decide wbether a product is suited to this approach or not." While there are many fashion products or electronic gadgets, for instance, that travel well internationally there are just as many that do not fall into this category, be says. In Arlett's view, one of the biggest mistakes that people can make is assuming that nations that speak the same language respond in the same manner.

Marlboro cigarettes are an oft-quoted example of a successful international campaign. "It's baslcally a simple proposition, and a simple product with the benefits of satisfaction the same the world over and summed up in the one internationally recognised symbol of masculinity (thanks to Western movies) of the cowboy."

In Bntterfield's view language is less of an issue since in the main satellite regions of Benelux and Scandinavia, English is a good second language. Sky's own researcb sbows that nearly balf of all adults in Europe understand English enough to watch TV.

So what are the benefits of experimenting with satellite advertising? Butterfield argues that by spending relatively small amounts of money in the early days and being part of the learning curve, companies keep ahead of the game "in s medium that will be part of our lives in 10 years' time."

For many companies with hrands operating on a pan-European hasis (in terms of packaging, distribution, branding otc) satellite television offers the chance to use a medium that in certain countries has been closed to them or available in limited supply only.



Brewing

Stout attack on Guinness

Lisa Wood on the debut of Beamish into the UK

PATRICK READ, joint managing director of Young & Co, the London real ale hrewer, says he never drank stout until a year ago when he discovered Beamish.

Today, his company has installed the product in 66 of its managed pubs and 35 of its tenanted ontlets and has plans to extend coverage throughout its 146-strong UK estate. It is hrewed by Beamish & Crawford at Cork in the Irish Republic.

For Young, the launch of Beamish is an attack, albeit small, on a UK stout market dominated hy Guinness, the brewing, retailing and bealth group. For Beamish, part of Carling O'Keefe, one of the major Canadian hrewers, it is a hid to boost export sales at a time when the brew's traditional Irish market is fairly static. It is not the first smaller player to move into the UK. Just recently Heineken, the Dutch hrewer, announced its intention to introduce its Cork-brewed Murphy's stout into Britain.


The Lamb in London's Lambs Conduit Street is one of over 100 Young's pubs to offer Beamish stout

The UK stout market is worth around £400m a year, of which Guinness accounts for more than 80 per cent. Sales of Guinness went into sharp decline in the late 1970s but this year the company, having spent a considerable sum advertising its hrand, reported volume sales to be the best for a decade. Guinness says of recent developments: "It sppears that the explosion of interest in tho UK in a variety of hrands in tho same sectors is affecting the stout market." Bnt it adds: "We do not fear the competition."

Young is still taking Guinness and selling it alongside Beamish although it has taken the market leader out of one or two of its pubs. The company started selling Beamisb in July under an agency agreement and is currently supplying other British brewers with the brand in test marketing exercises.

"We are finding Beamish to be well received among all age groups. People are actually coming into our pubs to drink Beamish; sales are not just from people swopping drinks," says Read.

Read, like Guinness, is strongly optimistic about the future of the stout market and points out that market research shows that the main increase in consumption is coming from tho important 25 to 35 age group. Not only does this sector of the market appear to bave most to spend on drinks but at this ege tho drinking patterns of a lifetime tend to be established.

"Guinness does have the vast majority of sales but the gains could be substantial if we could just get bold of a bit of the market." Read points out. He says volume sales of Beamisb are 50 per cent sbove target, but declines to give a precise figure. "It would be meaningless at present as we are still installing the pumps in our pubs," says Read.

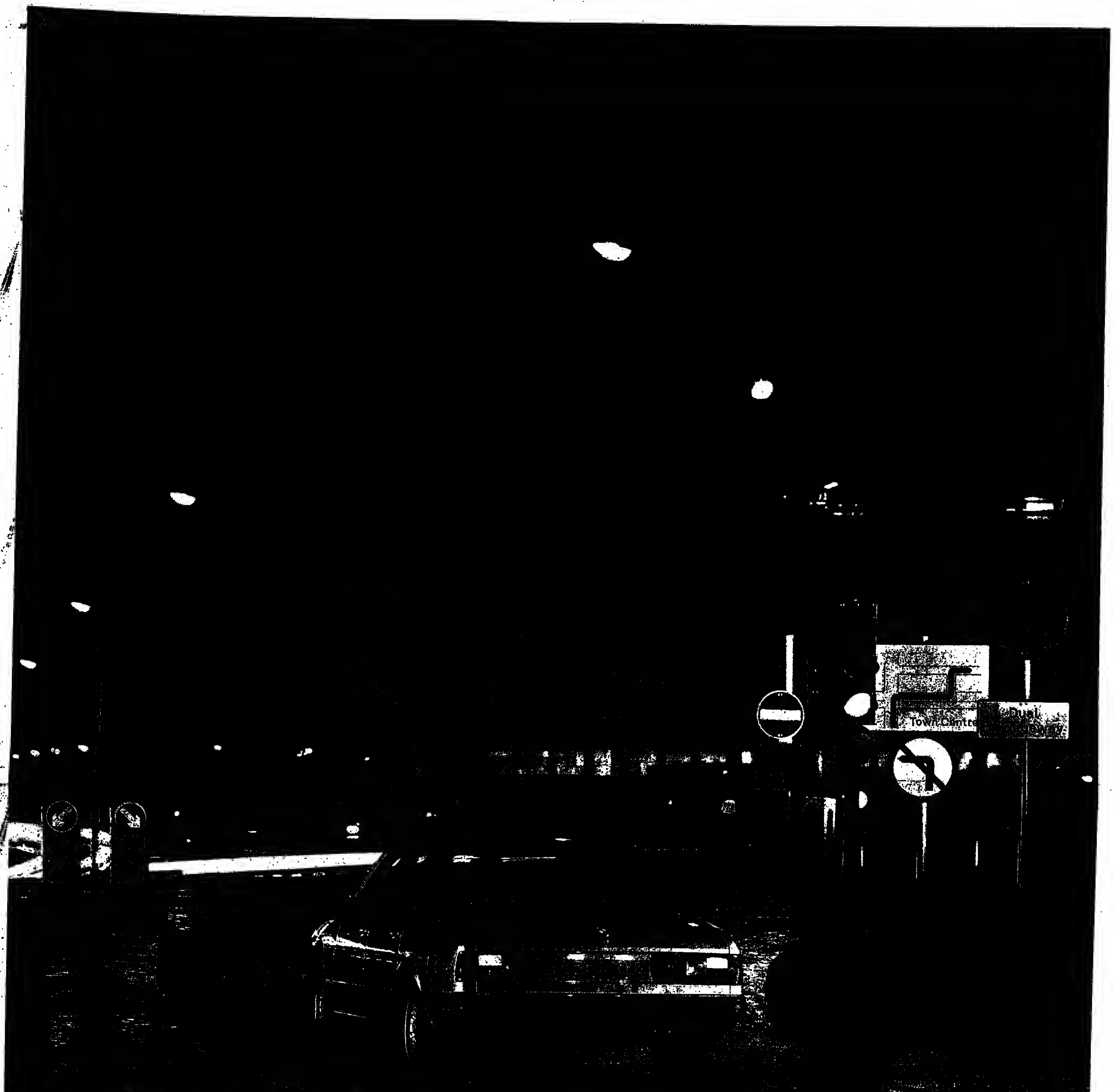
For Beamish & Crawford, the partnorship with Young, a hrewer which has maintsined a more traditional refurbishment poliey towards its pubs than many of its competitors, reinforces the traditional message it is trying to convey with the brand. "You bave to market stout differently from lager," says Clayton Love, cbairman of Beamish.

Beamish, set up in 1792, went through considerahle financial difficulties in tho 1950s and 1960s and its recovery was based on lager after it was acquired by Canadian Breweries (now named Carling O'Keefe) in 1962. Today, with Carlsberg and Carling, brewed under licence, taking 30 per cent of tho Irish lager market, the company is re-examining the potential for stout, its original brew.

The fresb marketing approach started abont eight years ago with the reintroduction of tho old Beamish logo on tbe bottled product. This development has continued in advertising es tbe hrewer has tried to develop sales of its stout in Cork and Dublin. For the UK market the company has sought, with Young, to convey thn traditional imagery through the stylo of writing used to advertise the brand in pubs and in the sort of bar mountings it uses. In the US, where Beamish is building up sales, it concentrates on the Irisb origins of the brew.

Tho marketing potential of the hrew's origins have yct to be fully exploited by Young which has embryonic plans for an advertising campaign. But it is reckoned to be a strong card in a market where drinkers are keen to taste imported products.

Read, for example, argues that Beamish is the real McCoy since it is brought over by tho tankerload from Ireland and kegged at Young's brewery in South London. Tho Guinness group, in contrast, hrews its product at Park Royal, London.



YOU MAKE THE DECISIONS. TEN COMPUTERS LOOK AFTER THE DETAILS.

Decisions, decisions, decisions.

Where to now? Which lane? What about oncoming traffic? Who's got right of way? What's behind me?

BMW believe that, on today's roads, the driver has enough to concentrate on without having to worry about the car.

Hence this BMW 735iSE and its ten different computers. Each one of which dedicates its every micro-second to those chores which could otherwise interfere with your driving. And, equally importantly, your driving pleasure.

The benefits begin even before the journey does, with the Active Check Control performing your pre-trip checks for you, monitoring everything from brake lights and oil level to the amount of fluid in the wash/wipe reservoir.

And should anything be amiss (either then, or during the journey) a warning light indicates the fault.

Then, at the touch of one button, your seat automatically adjusts to your pre-programmed driving position.

And at the touch of another, the air conditioning's micro-processors keep the interior temperature constant, regardless of the exterior temperature.

By now, you'll be sitting comfortably. Which is a good time to start.

As soon as the 3.5 litre, 6 cylinder engine starts running, BMW's Motronic engine management system automatically starts keeping it in perfect tune. Using 8 kilobytes of micro-processor to maintain the most efficient running for any throttle position. Or gear.

Which, with BMW's switchable automatic gearbox, is something else you don't have to think about.

Simply select the sports mode to make the most of the BMW 735iSE's 218 BHP.

Or the economy mode to make the most of the 22 gallon fuel tank.

And for slippery conditions or towing, select the unique 3-2-1 mode and the car will start – and stay – in whichever gear you select.

To make the BMW's effortless cruising more effortless still, there's a cruise control. (Computerised, naturally.)

In addition, the BMW 735iSE is equipped with a Service Interval computer that remembers every mile you drive – and how you drive it – to calculate the right moment for each service. So you never leave one too late. Or pay for one too soon.

But not all the BMW's computers are there to ease your life. Some are there to save it.

ABS for example. On braking, however hard, 4 centrally controlled sensors stop your wheels from locking, allowing you to steer and brake at the same time and stopping you up to 40% quicker.

Similarly, the black ice warning function on BMW's second generation on-board computer makes it a little more than just an in-car executive toy.

In designing 9 of the computers, BMW insist that regardless of their function, they all conform to the same rule: never to take away your driving pleasure.

While the tenth, the anti-theft device, makes sure that no-one takes away your BMW, either.

BMW

THE ULTIMATE DRIVING MACHINE

THE BMW 7 SERIES STARTS AT £15,950 FOR THE 728i. 728iSE: £17,610. 732i: £18,225. 732iSE: £20,175. 735i: £20,580. 735iSE: £25,995. THE BMW 735iSE FEATURED IN THIS ADVERTISEMENT IS FITTED WITH OPTIONAL DRIVER'S SEAT MEMORY CONTROL AT £347.00 AND ANTI-THEFT DEVICE AT £307.00. TOTAL PRICE OF THIS CAR £26,649. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX & VAT BUT NOT DELIVERY OR NUMBER PLATES. INCLUSIVE DELIVERY CHARGE INCORPORATING BMW EMERGENCY SERVICE AND INITIAL SERVICES £208 + VAT. FOR A BMW 7 SERIES INFORMATION FILE PLEASE WRITE TO BMW INFORMATION SERVICE, P.O. BOX 46, HOUNSLOW, MIDDLESEX OR TELEPHONE 01-897 6665 (LITERATURE REQUESTS ONLY). FOR TAX FREE SALES: 56 PARK LANE, LONDON W1. TELEPHONE 01-629 9277.

TECHNOLOGY

EDITED BY ALAN CANE

Laboratory seeks research partners

RESEARCHERS in the US are to start a collaborative project to enable companies to make more use of high-power lasers for jobs such as welding and thermal treatment.

The Battelle Institute's laboratory in Columbus, Ohio, plans to study several technical problems that have hindered developments in such lasers, dissipation of waste heat for instance.

The work, to be carried out with the participation of US optics and engineering concerns, will focus on carbon-dioxide lasers of powers greater than 5 kw.

Lasers of lower power are already widely used in industry, for instance for high-precision cutting of sheet metals and plastic. Higher powers are needed for jobs such as welding, to cut particularly tough materials and for heat treatment, to alter the upper layers of a metal to make it resist chemical changes for instance.

But at higher powers, the heat carried in the laser can deform optical devices used for focusing. This can lead to problems in aiming the beams.

Another area for study concerns how to alter the operation of the carbon dioxide laser—which normally shoots radiation in a continuous wave—so that it provides bursts of light in short pulses.

The laboratory is asking companies that want to participata in the one-year programme to pay a fee of $40,000. All participants will share in patent rights of any inventions and receive engineering drawings.

In the second article on Star Wars research, **Peter Marsh** looks at novel optics for lasers

Looking back into the future

MIRRORS made from gases similar to those used in refrigerators or aerosols and which make transparent objects seem invisible are at the centre of a new optical discipline exciting scientists around the world.

The so-called phase-conjugate mirrors could eventually find a wealth of applications, for instance in the $33bn Star Wars research programme, microcircuit production and pattern recognition such as in industrial inspection devices.

The main feature of the mirrors is their facility automatically to remove distortions in optical systems, for instance those introduced by the gas particles of the atmosphere to a laser beam directed from the Earth's surface.

As a result, tha principlo of phase conjugation could apply to the techniques of "adaptive optics" by which planners in President Reagan's Strategic Defence Initiative (Star Wars) are seeking to correct for atmospheric effects light beams focused on space objects such as missiles.

In other applications, phase-conjugate mirrors could remove optical effects that hinder the operation of hardware which, for intance, shines light on silicon to define circuit patterns in micro-chip fabrication. Another use may be in guiding laser beams on tiny particles of hydrogen isotopes in fusion reactors, devices that may ona day greatly ease the world's energy problems, and in optical telecommunications

Phase-conjugate mirrors are made from special materials

which reflect light back to its source irrespectiva of tha angle at which it hits the surface.

Furthermore, the light is reflected with its phase reversed, that is with the motion of individual points in the reflected light waves tracing the samo path as those in the incident beam, but in the opposite direction.

The mirrors can be made from crystals such as barium silicon oxide; liquids, some alcohols for instance; or gases such as compounds of carbon, hydrogen and chlorine or fluorine similar to those used in aerosols or as refrigerator condensing agents.

Hughes Aircraft and the Naval Research Laboratory, Washington, are among the US organisations conducting research into phase conjugation. In Britain, the Science and Engineering Research Council's Rutherford Appleton Laboratory in Oxfordshire and several companies such as GEC, British Aerospace and Plessey are involved in similar work, aimed at both military and civilian applications.

A phase-conjugate mirror acts in a similar way to a film projector put into reverse. Instead of reproducing pictures exactly, as in ordinary mirrors, a phase-conjugate mirror displays pictures backwards in time.

This extraordinary property can be envisaged most simply by comparing reflections from a phase-conjugate mirror with those from a conventional mirror. A diverging beam reflected from the latter continues to diverge and—apart from cases where the incident beam is perpendicular to the surface—away from the source.

A similar ray shone at a phase-conjugate device is reflected, in contrast, as a converging beam back to the source of the radiation (see diagram). Seemingly magical optical tricks can be played by putting a transparent object such as a glass bottla in front of the mirror and peering through it.

The bottle's shape distorts the phase of the incoming light by a set degree. It is this phase distortion that enables the onlooker to recognise tha bottle for what it is and not simply to look straight through it.

When the phase-shifted ray from the bottla hits the mirror, the reflected beam is the same, with its phase reversed. As the reflected ray retraces the path back through the bottle, the latter's shape again exerts its effect, producing fresh distortions which are exactly cancelled out by the phase structure in the beam.

As a result, the bottle seems invisible and the observer sees nothing. If this same sequence occurs with an ordinary mirror, of course, an observer sees a doubly distorted image.

This peculiar state of affairs can be useful in cases where a scientist wishes to remove a source of aberration from a set of optical equipment. In Star Wars scientists are keen to design laser weapons that would blast warheads as they journey above the atmosphere on their way to targets.

Dua to the difficulty of stationing big energy sources in the heavens, a Star Wars system would probably station in space only low-power lasers of nowhere near the capacity to deliver a knock-out blow to missiles. Star Wars scientists have looked at the possibility of stationing high-power lasers on tha ground — but how are they to aim the devices through the atmosphere at missiles several hundred kilometres away and travelling at perhaps 20 times the speed of sound?

Phase-conjugate mirrors present one answer. A small laser, probably a free-electron device, could be stationed in the geostationary orbit 36,000 km above the Earth. It would send a low power beam through the atmosphere to an amplifier (in effect another laser) and a phase-conjugate mirror on the ground (see diagram).

The phase distortions introduced by the atmosphere are reversed when the beam hits the mirror. When the reflected ray travels back into space through the same sector of the atmosphere, all the distortions are removed and the beam is free from phase errors.

In this design for Star Wars, the small laser in space is coupled with an ordinary optical mirror which receives guidance signals from sensors about tha positions of warheads the system is supposed to destroy. Tha focusing mirror collects the greatly amplified and distortion-free beam from the ground and directs it towards the warheads as they cruise through space.

In some types of phase-conjugation systems, known as four-wave mixing, two more laser beams are required to supply extra energy to the ground-based mirror. These beams could be applied fairly simply in an operational set of hardware.

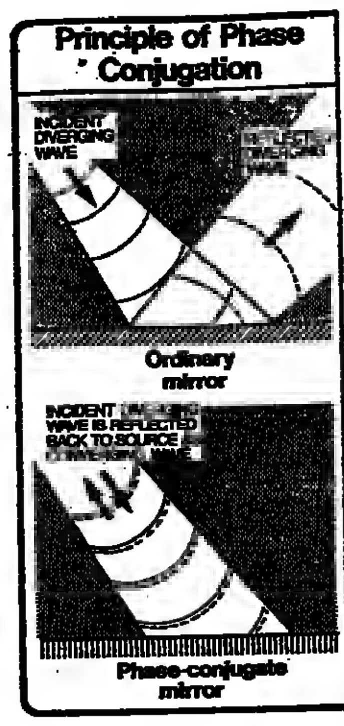
The advantage of equipment that uses phase-conjugate mirrors is that it does not require an elaborate network of compensating equipment to allow for atmospherie distortions. In most discussions about adaptive optics applied to Star Wars, scientists have talked about sensing atmospherie errors by measuring tha phase change from a reference beam optically.

The difference between the phase of a beam sent through the atmosphere and what it should be for a correctly aimed system is then applied to the laser beam by computer techniques.

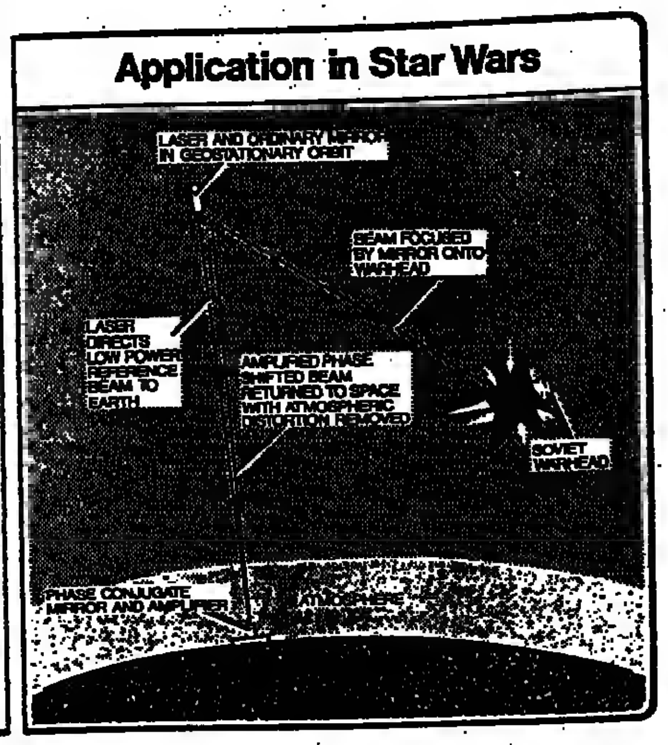
A feature of such conventional adaptive optics would be aiming mirrors made up of thousands of small optical elements, each one of which is steerable to make up for the atmospheric distortions, the so-called rubber mirror.

Tomorrow: "Killing" missiles with X-rays.

Principle of Phase Conjugation



Application in Star Wars



Microchip applications explored

A TEAM at the Rutherford Appleton Laboratory in Oxfordshire is exploring applications of "time-reversing" mirrors in hardware to produce new generations of microchips.

According to workers at the laboratory, which is run by the Science and Engineering Research Council, phase-conjugate mirrors could be built into lithography (printing) systems for chipmaking. These beam light through masks to define on integrated circuits the positions of circuit elements such as transistors.

In conventional lithography equipment, ultraviolet rays are shone through the masks (which define the patterns as a series of thin bick lines etched on to a glass plate) and then via lenses to a circular wafer of semiconductor roughly 10 cm in diameter.

As a result, a resist, a layer of light-sensitive material coated on to the wafer, is chemically altered where the beam hits the surface. In this way, the circuit pattern on the mask is transferred to the wafer.

Current lithography systems have problems defining circuit patterns where the widths of the lines are more than about 2 microns.

This is partly due to the light's relatively long wavelength and to defects in the lenses that focus the rays on to the resist. The difficulties become significant when engineers try to increase the number of circuit elements on a single chip above a few hundred thousand.

In hardware under study at the British laboratory, low-power ultraviolet laser light is beamed via lenses through a mask and then through an amplifier to a phase-conjugate mirror. The reflected beam, with its phase reversed, travels back through the amplifier and the related optical system to the resist-coated wafer.

As a result, distortions introduced by the amplifier and the lenses are removed as the light rays retrace their path. Microcircuit engineers could use this principle in building new generations of production equipment that define dense circuit patterns without requiring lower-wavelength light or highly expensive lenses.

In the Rutherford Appleton hardware, the phase-conjugate mirror comprises a tiny glass container filled with alcohol. The mirror can be built into an optical system that fits into a thimble to produce the "time-reversing" effect.

Other electronics concerns experimenting with similar systems include GEC and IBM. In another application of phase conjugation, researchers are studying how to remove distortions to telecommunications signals, for example when radio waves travel through the atmosphere or when coded light signals pass along optical fibres.

Phase conjugation could be used in guiding beams of light on to tiny "balloons" of hydrogen isotopes used in experimental fusion reactors.

Vision systems optimism

SALES OF machine-vision systems in the US are about to leap, according to Frost & Sullivan, the New York based consultancy.

A recent study says sales of these devices, which automatically obtain images of items for use in such areas as inspection and materials handling, will be worth $980m in 1990, compared with $110m this year.

Machine vision systems usually comprise a camera linked to a computer that analyses images. In this way, for instance, a set of hardware on a production line can automatically keep track of the volume of items being manufactured, together with any defects.

Alternatively, the computer can command automation apparatus such as robots to pick up or handle in some other way the items depending on their shape and position.

The main users for such hardware will be the electronics and car industries, says the study. Other companies turning to machine vision are concerned with food processing, chemicals, paper and printing.

The Industrial Vision Systems Market in the US. Frost & Sullivan, 104 Marylebone Lane, London W1M 5FU. $1,575

Computerised fast food

THE Kentucky Fried Chicken group aims to keep up to date with changing patterns of demand in the fast food business with a computerised communications system that will link its 66 stores in the UK with a central office.

With the hardware, installed by Datachecker/DTS of Isleworth, Middlesex, the company will keep track of changes in customers' preferences. The hardware will record such details as how the number of chickens that consumers munch in the course of a day alters from week to week.

UK NEWS

Tax decision 'threatens London futures trade'

BY CLIVE WOLMAN

AN UNEXPECTED decision by the Inland Revenue to tax the returns of companies and investment institutions from futures contracts as if they were trading income has been attacked in a letter sent on Tuesday to Mr John Moore, Financial Secretary to the Treasury, by the London and International Financial Futures Exchange (Liffe).

The decision undermines the Government's declared purpose in changing the tax rules in this year's Finance Act and threatens to drive international business away from London, according to Mr John Foyle, market secretary of Liffe.

"The problem is an urgent one," he said. "Corporate treasurers, unit trusts and investment trusts need to know whether they can hedge their risks without being penalised by the tax system. It is up to the Government, not the Revenue, to decide how the tax system should be run."

The Revenue's stance emerged in discussions last week with the investment management company, Save & Prosper Group, over its plans to launch a new type of investment trust this month. The £20m trust was planned as a variant on the index-matching funds which are designed to track the performance of the UK stock market by investing passively in a broad, representative spread of companies making up the FT-Actuaries All-Share index. The Save & Prosper trust aimed to achieve a higher return by investing not just in the companies but also in the futures and options contracts on the FT-SE 100 index.

The Revenue's technical division told Save & Prosper in a letter, however, that any transaction in futures contracts, even if undertaken purely to lay off risks, would be taxed as if it formed part of a trade in securities. The Revenue based its decision on a High Court ruling 20 years ago. As a result, the launch of the trust, the underwriting for which was virtually completed, has been postponed indefinitely.

The decision, if left unchallenged, would mean that any profit on a futures position would be subject to corporation tax and could not be offset against a loss on, for example, an underlying portfolio of shares, bonds or options which the futures position is designed to hedge. Profits or losses on these securities are subject to capital gains tax at a lower rate than corporation tax. Investment trusts and unit trusts are exempt from capital gains tax.

According to Mr Foyle, the lack of symmetry in the tax treatment of the two types of transaction would make it impossible to use the futures markets to offset risks. This is because the tax position would vary depending on which transaction recorded a profit and which a loss.

Further complications arise from the requirement that unit trusts and investment trusts distribute in dividends nearly all their income. The Revenue decision means that their dividend levels would be artificially boosted by "income" from futures dealing which in fact merely offset a loss on underlying securities.

In the March budget, it was proposed that "profits from transactions in futures which are not part of a trade should be charged as capital gains." However, the Inland Revenue says it has consistently taken the view that this concession applies only to individual investors and not to companies.

During the passage through parliament of the Finance Bill, Mr Foyle said that Liffe continued to believe that the clause would be applied to companies, unless they were dealing regularly in the futures market as part of their trade.

This year's Finance Bill was the fourth successive bill to contain clauses intended to clarify the tax position of transactions in futures contracts.

Cost of borrowing may be kept high to underpin sterling

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE GOVERNMENT appears set to maintain until well into next year its policy of keeping interest rates high in order to underpin the value of sterling, despite demands from industrialists for a sharp cut in borrowing costs.

In Tuesday's autumn statement on the economy, Mr Nigel Lawson, the Chancellor of the Exchequer, gave no specific forecast of the outlook for borrowing costs, but he said yesterday his approach to any reduction was still "cautious."

The Treasury's projections for the likely rise next year in overall housing costs imply that Mr Lawson is relying on only a small cut in mortgage rates in 1986. That in turn suggests bank base rates are not expected to fall substantially from present levels.

The view in Whitehall yesterday was that it was wrong to say the Government wanted base rates to stay at the present 11½ per cent indefinitely. Failing inflation and the possibility of a further weakening of the dollar meant some reduction during coming months could not be ruled out.

Mr Lawson's general strategy, however, remained to keep monetary policy tight enough to achieve his target of bringing inflation down to 3¾ per cent. Barring unforeseen events there was little expectation of a sizeable cut in rates.

That policy in part reflects the view inside the Government that high interest rates do not pose a serious threat to the pace of recovery in the short-term, while any renewed attack on sterling would jeopardise its inflation objectives.

The Treasury also accepts there has been some change in the mix of fiscal and monetary policies following the sterling crisis earlier this year, if only because monetary policy is now tighter.

Mr Lawson: keeping monetary policy tight

The Government is, however, anxious to counteract the suggestion that it is engineering a deliberate switch in policy towards "Reaganomics," implying a major increase in public borrowing offset by tighter monetary policy.

Public spending is expected to give a small boost to economic growth next year, but the key decision on fiscal policy will not be taken until the public-sector borrowing requirement for 1986/87 is set in next spring's budget.

The Government's medium-term strategy assumes borrowing next year will be £7.5bn compared to the revised figure for this year of £8bn.

● The engineering industry yesterday agreed a 5.5 per cent pay offer – a settlement higher than last year but below the present rate of inflation. An engineering union official said it was felt the claim could not be pressed further "because of the climate of the times."

Stock exchange makes moves to extend options market

BY ALEXANDER NICOLL

THE STOCK Exchange announced measures yesterday designed to attract market-makers in traded options, which are expected to grow in importance after the restructuring of London securities markets next year.

Mr Bernard Reed, manager of the exchange's Options Development Group, said: "The need for risk management tools will be so much greater that we have to get the liquidity of the options market substantially increased."

Mr David Steen, chairman of the exchange's options committee, told an options conference that as many as 60 member-firms had shown an interest in making markets in equities next year after "single capacity" is abolished.

The change will allow all member-firms to act as both principal and agent, replacing the present system in which only a handful of stockjobbers make markets, and brokers who deal with the public are not allowed to do so.

Options provide a hedging mechanism through which holders of positions can lay off their risk. An option gives the buyer the right, but not the obligation, to trade securities at a fixed price within a given period. The exchange trades options on about 30 UK equities, government bonds, the FT-SE 100 index, and on sterling and D-Marks against the dollar.

To increase the underlying liquidity of the options market – and thus make it a more efficient means of hedging risk – the exchange plans by March next year to extend to non-jobber options market-makers the special facilities now afforded to jobbers by the exchange's Talisman settlement system.

The effect will be to make it far less costly for non-jobbers to make markets in options.

Market-makers will be able to hold positions in securities to cover their options positions without paying stamp duty. They will also be able to borrow stock to meet their options commitments.

In addition, the exchange plans to extend the precedent set in its establishment earlier this year of a currency options market, and admit foreign firms on special membership terms to make markets in other types of options. That measure is aimed at attracting specialist options firms, particularly from the US, to London.

The exchange has recently been trading 14,000 to 15,000 options a day after several years of slow development, which received a significant boost last year with the advent of British Telecom options.

It plans to introduce a new contract each month – the next is Distillers – and plans within two years to trade options on all the equities that make up most of the exchange's share-trading turnover.

Options on a wider variety of gilts, including medium-dated, low-coupon and index-linked stocks, are also being considered, as well as additional currencies.

Plans for a link between the London and Philadelphia stock exchanges' currency options trading, which both exchanges had hoped would be already in place, are still in abeyance.

Workers said to gain little from labour flexibility

BY DAVID THOMAS, LABOUR STAFF

FEW COMPANIES are introducing more flexible working in a planned way and employees often gain little benefit from it, according to a confidential report considered yesterday by the economic committee of the Trades Union Congress (TUC).

The report is the first important union response to the trend towards greater labour flexibility which many commentators have detected in industry.

Tha TUC will draw on the report in submitting a paper for discussion at next month's meeting of the National Economic Development Council. The report itself is a first draft on which unions will comment.

The TUC report stresses that workers can gain benefits from greater flexibility, such as improved work organisation, better training, shorter hours and more job satisfaction. But it argues that these are more likely to arise when flexible arrangements are introduced in a planned way by employers after negotiations with their unions.

Too often, the report claims, greater flexibility is simply a short-term management response to crisis.

The extent to which demarcation lines are being cut varies greatly between companies and sectors, the report states. Workers often do not receive the benefits which are promised from the removal of demarcation.

The study also suggests that few workers are offered job security in return for more flexible working. On the contrary, many traditional craft jobs could be lost if more flexible working spread.

The report states that few companies are giving their manual workers staff status in return for more flexible working.

The TUC also questions the significance of the growth of more flexible employment arrangements, such as part-time, temporary and subcontracted work.

The report suggests that employers traditionally prefer what it calls these "insecure" employment contracts in a recession. It also argues that the changes reflect the shift from manufacturing to services, where arrangements such as part-time work are more common.

Editoral comment, Page 16

GOVERNMENT URGED TO HALT BANK FLOTATION

Swift appeal promised against judge's ruling over TSB

BY KEVIN BROWN

THE GOVERNMENT plans to lodge formal notice of appeal "as soon as possible" against the ruling by a Scottish judge on Tuesday that the assets of the Scottish arm of the Trustee Savings Bank (TSB) belong to its depositors.

Mr Ian Stewart, Economic Secretary to the Treasury, told the House of Commons that the Government would have to consider "many other matters," including the scope of the Act authorising the flotation of the TSB, before deciding what to do next.

Mr Stewart faced heavy pressure from Labour and Alliance MPs to stop the proposed £1bn flotation of the bank – the largest of its kind undertaken in the UK – until the legal processes arising from the judge's ruling had been exhausted.

Mr Alex Fletcher, the former Minister for Corporate Affairs, also intervened during questions on the judgment to urge the Government to stop the TSB advertising the flotation until its appeal had been heard.

Mr Steward said it was not for ministers to instruct the banks on what to do next, but be said it was unlikely that they would want to make any move towards the flotation while the appeal was pending. The Government had not pressed the TSB to proceed with preparations for the flotation.

Dr Oonagh MacDonald, a Labour MP, said the Government should not have gone ahead with proposals for the sale without determining ownership of the assets.

She said the sale was the equivalent of the housekeeper selling off the family silver without checking whether they owned it. The Government was now so eager to privatise anything in sight that it even privatised things which did not belong to it.

Mr Nicholas Fairbairn, the former Scottish Solicitor General, recalled that the Prime Minister had made it clear that the Government was entitled to take advantage of all the legal remedies open to it, including an eventual appeal to the House of Lords.

He said this might create some difficulties because there were only two Scottish law lords in the upper House, one of whom, Lord Cameron of Lochbroom, the Lord Advocate, had given the original advice to the Government that the flotation would not contravene Scottish law. The other was a depositor with the TSB.

Minister accused over merger leak

MR GEORGE YOUNGER the Secretary of State for Scotland, was at the centre of angry protests in the House of Commons yesterday over leaks of confidential information relating to a £100m brewery takeover bid.

Labour MPs demanded Mr Younger's resignation over a letter in which be revealed the Monopolies and Mergers Commission's approval for the bid five days before the decision was announced in Parliament.

The bid, by Scottish and Newcastle Breweries for Matthew Brown, the main brewer in the north-west of England, has been bitterly contested by Labour MPs from the region. The affair also appeared to have angered some Tory MPs.

Mr Younger said he referred to the commission's recommendations in a letter to a member of the public. He admitted yesterday that "on such a sensitive issue" he should have checked the position before sending the letter.

Mr Michael Howard, the Corporate and Consumer Affairs Minister, said the Government would hold a wide-ranging internal inquiry into the leak.

Miners' union to apologise for contempt of court over fine

BY RAYMOND HUGHES AND JOHN LLOYD

THE THREE leaders of the National Union of Mineworkers (NUM) will today apologise to a High Court judge for the union'e long-standing contempt of court – but do not intend to do so in person.

The move comes as a third NUM area – Leicestershire – begins a process likely to end in a ballot on whether to break away from the NUM to join the new Union of Democratic Mineworkers (UDM).

A small Lancashire pit – Parsonage – voted yesterday by 110 to 91 to leave the NUM. It joins Agecroft, the first Lancashire pit to do so. The Nottinghamshire and South Derbyshire coalfields have already voted to join the UDM.

Mr Arthur Scargill, the NUM president, Mr Mick McGahey, vice president, and Mr Peter Heathfield, general secretary, have sworn a joint affidavit that will be read today to Mr Justice Nicholls when the NUM asks him to end the sequestration order that has deprived the union of its funds since September last year.

The court ordered the sequestration after the union failed to meet a deadline for the payment of a £200,000 fine imposed for contempt of court during the year-long miners' strike.

The NUM is hoping that a written apology, supported by representations to be made to the judge on behalf of the union's new trustees, will be regarded by the judge as sufficient to purge the union's contempt.

An earlier plan to try to avoid an apology, by arguing that the NUM was an unincorporated association with no legal personality and so incapable of apologising, has been dropped.

What may cause the union a difficulty with the court is the absence from the affidavit of any promise to obey it in future. Such an undertaking is almost invariably required by the court when dealing with an application to purge contempt.

That omission may require Mr Scargill to appear before the court – something that he, the union and their lawyers have been hoping to avoid.

If that happens, the NUM president can be expected to be closely questioned by the judge, and possibly also by counsel for the sequestrators, about the union's conduct during the sequestration and its attitude towards the court.

Even if the judge does lift the sequestration order, it will not mean thet the NUM's funds will be returned to it immediately.

What would happen is that the £2m of NUM assets under the control of the sequestrators – four partners in chartered accountants Price Waterhouse – will join the £8m or so held by the court-appointed receiver, Mr Michael Arnold, of Arthur Young.

Another court hearing, before another judge, will be necessary to end the receivership before the union regains control of its funds.

The sequestrators will take a neutral attitude towards the union's application today, confining themselves to reporting to Mr Justice Nicholls on what has happened since he ordered the union's funds to be seized for non-payment of the £200,000 fine.

The fine was imposed when the union defied the judge's order, granted to two anti-strike Yorkshire-area miners, Mr Bob Taylor and Mr Ken Foulstone, not to describe the miners' strike as official.

Mr Taylor and Mr Foulstone have since discontinued their action against the union and will not oppose today's application.

Although not a party to the sequestration action, Mr Arnold and his lawyers will be in court to offer any assistance the judge may require.

They will be able to tell him that Mr Scargill, Mr McGahey and Mr Heathfield have now recognised the receiver's authority and co-operated with him in sorting out outstanding matters that resulted from the transfer of union funds abroad to ury to avoid the consequences of sequestration.

If the Leicestershire area does vote to join the UDM, it will be a considerable coup for the new union.

Dublin and London talks make progress

By Margaret Van Hattem

THE BRITISH and Irish governments appear to have made substantial progress in resolving obstacles to an agreement on the future of Northern Ireland, and a summit is now expected to take place tomorrow.

The British are understood to have accepted Irish arguments that a permanent joint secretariat of civil servants, to provide support for joint ministerial meetings, should be established in Belfast.

Difficulties still remain in the area of the courts and the security forces. The Irish have, almost since the start of the negotiations, pressed for a link between the judicial systems of the Republic and Northern Ireland, with judges from both sides sitting together in trials for terrorist offences.

They have also pressed strongly for reforms in the Ulster Defence Regiment and the Royal Ulster Constabulary, aimed at making them more responsive and acceptable to the Roman Catholic minority in the province.

The British, while conceding the merit of many of the points raised by the Irish, have argued that many of these measures would be more acceptable to the Northern Ireland people as a whole if allowed to evolve gradually rather than as a result of pressure from Dublin.

It now looks as though a compromise might be reached in tha form of a British commitment to institute reforms, with a timetable for drawing up proposals in the different areas of concern.

It is not clear how far the British will be prepared to commit themselves to implementing such reforms, and this may not be resolved until Mrs Margaret Thatcher and Dr Garret FitzGerald, the British and Irish prime ministers, confront each other across the table.

Overall output near to record

By Alexander Nicoll

THE OUTPUT of Britain's manufacturers fell slightly in September but a rise in North Sea energy production, after a summer lull, pushed overall industrial output to a near-record level.

Statisticians said the overall trend was towards slow growth in manufacturing output, with figures for each of the previous five months revised upwards. Preliminary production data are erratic and often subject to revision.

Third-quarter manufacturing output was 0.5 per cent below the second-quarter level but 1.7 per cent above its level of a year ago.

The figures could strengthen the calls of industry for lower interest rates. The latest industrial trends survey from the Confederation of British Industry (the employers' organisation), while painting a more optimistic picture about the near-term than yesterday's data suggest, forecasts difficulties in the future because of an expected drop in export orders.

The Central Statistical Office said its index of manufacturing output, with a base of 1980, fell 0.2 per cent in September to 103.2 from an August level of 103.4.

With the energy index rising 5.3 per cent from August to stand at 125.4, the overall industrial production index rose 1.5 per cent to 109.1, the second-highest level seen after a record 109.8 in July 1979.

The third-quarter level was 0.3 per cent below the second quarter and 5.4 per cent above a year ago.

Amerada Hess buys Monsanto oil stake

MONSANTO, the US chemicals group, is selling its UK oil company to Amerada Hess of the US, which will be the latest operator to become involved in North Sea oil development with the planned exploitation of the Ivanhoe and Rob Roy fields, Andrew Fisher writes.

The 38.3 per cent stake held by Monsanto in block 15/21a, which includes the two fields, forms the major part of the sale. No price was mentioned, but oil industry analysts put the total figure at between $80m (£56m) and $100m.

Monsanto said the sale of Monsanto Oil Company of the UK was expected to produce an after-tax gain of 70 cents a share. This would exceed $50m. It said the gain would be more than offset in the fourth quarter of 1985 by the costs of its restructuring programme. Monsanto, which has just completed its $2.8bn acquisition of the G. D. Searle pharmaceuticals group, has said it will take a $559m charge against earnings as a result of writing down assets.

Approval by the Department of Energy for development of the Ivanhoe and Rob Roy fields, around 100 miles east of Aberdeen, is expected shortly. The cost of developing the fields is expected to be around £370m.

Amerada Hess has been involved in the North Sea for about 20 years and has been building up its UK oil business in recent years. It has interests in 82 blocks in UK offshore areas, of which it operates 16. It also has stakes in five producing oilfields and two producing gasfields. Apart from block 15/21a, its purchase of Monsanto Oil UK will bring it holdings in seven other blocks.

Monsanto is meeting its partners in block 15/21a tomorrow to discuss development of the fields. These are Deminex of West Germany (43.3 per cent), Kerr McGee of the US. (10.83 per cent), and two UK companies, Pict Petroleum (3.75 per cent) and Whitehall Petroleum (3.75 per cent).

□ EUROPEAN FERRIES expects in the next few days to have placed orders for two large multi-purpose ferries. Mr Jimmy Ayers, a director of the company, told MPs last night that the orders were going overseas because British yards had been unable to meet the delivery date of 1987.

The deals are expected to be worth about £70m. The company may also place an order for a third vessel but this has not been finally decided.

Mr Ayers was giving evidence to e House of Commons transport committee investigating plans to build a privately financed fixed link across the Channel. Applications from four groups, proposing various combinations of bridges and tunnels were submitted to the British and French governments et the end of last month.

He said that the purchases by European Ferries were long overdue and would go ahead irrespective of whether a fixed link was built. He warned, however, that a privately financed link would do serious damage to the ferry trade.

□ NINE companies and consortia have so far shown an interest in managing the Royal Dockyards at Rosyth in east Scotland and Devenport in south-west England. The Government, which has said that it intends to put the management of the yards into the private sector, has published a bill aimed at achieving the transfer by April 1987.

Manager

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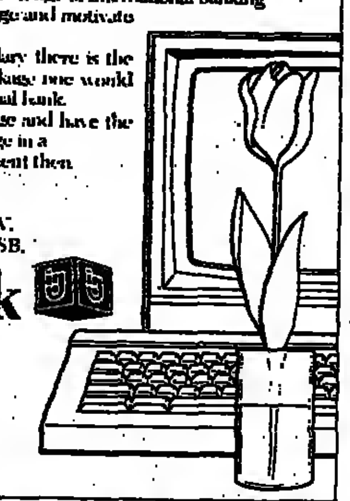

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International Appointments

THE ARTS

St Paul's and Blackfriar's Bridge, an engraving by William Daniell (1769-1837)

Fine Art Society/David Piper

Cities of celestial splendour

Anyone can fall in love with a city as swiftly, inexplicably, irrevocably, as with a fellow human being. The essence of a city may however also prove as elusive, as indefinable, as that of a loved person, though the attempt to capture it in portraiture just as challenging. And tha result can of course be a masterpiece — for Proust, the grestest of all paintings seems to have been Vermeer's *View of Delft*.

The survey of views of Great Cities at the Fine Art Society in Bond Street (till November 29) is anyway confined to the 19th century, so that even if Vermeer bad been available he would not be there. Likewise the crystal visions of Canaletto (not only of Venice but of London too) are lacking, as are the urban interpretations of other major practitioners of the 18th century. On the other hand, the pictorial conventions that condition artists' renderings were, by the beginning of the 19th century, pretty well established.

A new feature, however, that affected fundamentally the physical fabric of many great cities on the 19th century was of course the Industrial Revolution, the vast expansion of urban populations spawning on the one hand endless working class tenements — the slums of the future, and indeed in many cases, instant slums — and on the other, the grandiose architectural display of civic pride and wealth in the city centres, the whole — in Britain anyway — tending to be blanketed by soot and fog.

For this show, the Museum of London has lent what is in many ways the most spectacular of all apotheosis of the new High Victorian London: *St Pancras Hotel and Station from Pentonville Road; Sunset*. It was painted by the otherwise little known John O'Connor in 1884. Beyond the workaday higgledy-piggledy of the Pentonville Road, its febrile human and animal traffic, its low irregular roof line bristled with reeking chimneys, all subsiding in a dusk of smoke, soar gothic spires and pinnacles of St Pancras, at the prow of its mammoth railway shed, a vision of faith, aspiration and achievement against a sky curdled with the glory of the setting sun.

Though the range illustrated by the Fina Art Society show is indeed richly various and extensive, it does not include many hints of tha dark side of the great industrial cities, the cities of dreadful night to which artists like Doré bore witness in his visions of aspects of London as if segments of Dante's Inferno. The territories covered extend from Glasgow and London in the west to Constantinople and the legendary (still non-industrial) cities of the Levant in the east; from Stockholm or Moscow in the north to Egypt and the cities of the African Mediterranean Litoral in the south.

The attempts to record characters of individual cities include at one extreme the comprehensive inventory of the panoramic view and at the other the telling picturesque detail of nook or cranny. The panoramic tradition has of course a long history, going back to the 16th century, the most famous publication being Braun and Hogenberg's great engravings of the Cities of the World, completed by 1618. Versions of that tradition in the 19th century are represented at the Fine Art Society, their quality of literal transcription contrasted with some admirable examples of early photographic prints.

A prevailing mood among many of the paintings and drawings showing the larger view seems though to echo the atmospheric idylls of Claude Lorrain — even in a charming excursion beyond the usual limits of the show, to Sydney around 1860. Some cities appear in idealised landscape settings bathed in serene and gentle sunshine — definitely at peace. It is almost as if the Almighty had thought better of banishing Adam and Eve but, in a more benevolent role, as if the Great Developer in the Sky had inspired and blessed their progeny to build a perfect flawless city suited to the conservational needs of the Garden of Eden. Tha New Jerusalem itself.

Most views of the real Jerusalem here (of which there are several) do not suggest that quality—the city, heat-bleached unrelieved by any greenery, tight within its wall, and exposed to a possibly unkind sky on an eminence in a dour landscape, is not welcoming. Edward Lear is perhaps the kindest to it. There is a delicious Claudian view of Rome by J. J. Frey, but ironically the most dreamy vision of any city in the mode here is—of all places today — Beirut.

The most compelling of literal accounts is John Brett's Florence (lent by the Tate), painstaking, almost painful, yet mesmerising. The view is from the heights of Bellosguardo: domes and towers rise from a shallow of roof tops, precisely charted as if with circumflex accents. Stockholm is revealed (in two charming canvases by Rorbye and by Sorensen) as indeed a Venice of the north, Vernet-like rather than Canaletto perhaps, waterborne in a pellucid light and calm-cool though. Venice itself is shown extensively in views by James Holland, W. J. Muller, and indeed by Bonington, but Turner this time is absent, and the most unusual and striking version is a rare watercolour by William Bell Scott, the basin of St Mark's seen dizzily from the Campanile.

By and large, the Fine Art Society offers, spread generously through all its three floors, a most happy occasion for a nostalgic tour, a Swann's tour compressable into a morning or an afternoon, with nothing — or very little — nasty on the itinerary, but many an agreeable surprise. Athens is a case in point, seen clear of its modern pollution, clutter and squalor. Louis Gurlitt's elegiac view of *The Acropolis at Dusk* is a vision to dote on, as long as you do not expect to see it like that should it inspire you to visit Greece, even though Gurlitt depicted it, in 1868, half a century after Elgin had completed his ravages (or salvages) on the Parthenon.

Perhaps the jolliest versions of all the cities is provided by the two views of Vienna. A watercolour by L. H. Fischer in 1894 surveys the city from an eminence in an entirely traditional idyllic and pastoral temper, yet accommodates comfortably in its balmy landscape the cathedral tower of St Stephen's and the chimneys of modern factories — their exhalations suggesting candles and incense rather than smoke. The other view, by H. Tomec, is of the Riesenrad (the giant wheel) in the fairground (that features in very different circumstances in tha film of *The Third Man*). Dusk approaches, the lights come on, and the Viennese mill aboot in relaxed pleasure. In fact they are not dancing, but an echo of Strauss is all but audible. This makes up, not at all badly, for a relatively meagre representation of tha City of Cities—Paris; the Impressionists are not featured, though there are fine watercolours by Thomas Shotter Boys and by Francis Danby.

First Ferry to Hoy/Elizabeth Hall

Andrew Clements

Peter Maxwell Davies's commitment to educational music stretches back to his days as a teacher at Cirencester Grammar School in the early 1960s. It has continued through his years on Orkney in a varied series of pieces for the children of the islands. But his latest work for young performers is the result of a commission from the London Sinfonietta; it was unveiled at the orchestra's Elizabeth Hall concert on Tuesday, with tha help of performers from the ILEA Centre for Young Musicians. The conductor was Elgar Howarth.

First Ferry to Hoy is scored for mixed choir, recorders, percussion and the instrumental group of the Sinfonietta. It describes a sea crossing from the Mainland of Orkney to Hoy, in which the tiny ferry boat was suddenly surrounded by a school of pilot whales which vanished as swiftly and magically as it had appeared. Davies has supplied his own direct, gently resonant text, which the choir delivers mostly in simple syllabic setting, whila the instruments provide atmospheric introductions and interludes.

The shape is straightforward and effective, with tha main climax at the appearance of the whales and a transparent, wondering coda. The writing for the chorus is rhythmically safe, though it demands some careful tuning; the recorders and percussion make a great deal from simple patterns artfully overlapped. It plays for 16 minutes; Howarth conducted two lucid performances, separated by a talk from the composer, which passionately defended the importance of musical education in the face of spending cuts.

At first hearing I thought the music grey and faceless but the repeat suggested a nicely atmospheric, immaculately paced tone poem with admirable economy of means and clarity of ideas, though its quotation from Debussy's La Mer in the introduction still perplexed me. The work promises to succeed in its purpose—to provide a piece that is within the abilities of ambitious young performers, who can perhaps call upon a core of professionals to take the instrumental parts.

Another children's commission from an earlier generation preceded *First Ferry*. Tippett's *Crown of the Year* cantata (1958) is only partially effective, and too often sounds like watered down passages from *The Midsummer Marriage*; the problem of writing manageable yet rewarding music for tha girls of Badminton School (which commissioned it) was only intermittently solved. Bot it was finely sung here by the choir of Grey Coat Hospital School, with the Sinfonietta players bringing great rhythmic bite to the instrumental parts. In every respect the evening must be pronounced a great success.

Sloane Ranger Revue/Duchess

Michael Coveney

This miserably unfunny little show, slickly directed by Ned Sherrin, establishes, by a process of endless repetition, that Sloane Rangers throw bread rolls, sniff cocaina, are keen on horses and afraid of sex. A Grockle, on the other hand, portrayed here by Doug Fisher, is an oik, nerd or wimp who lives somewhere along the Eastbound district line and thinks Jeffrey Archer is a writer.

Something here, perhaps, for a trenchant little number in a sophisticated revue. Bnt a whole show? The "Sloane Anthem" (lyrics by Herbert Kretzmer, music by Peter Greenwell) says all the very little there is to be said. It closes the first half in which we see archetypal Sloanes Henry and Caroline married and visiting a school for their son where education is an optional extra.

Hooray Henrys were with us long before the trendy magazine marketing began but I would guess their "media profile" was sharpened by two events in recent years: Tina Brown's editorship of The Tatler and, as the programme note confirms, the marriage of Princess Di (Sloane heroine) to Prince Charles. They are not anti-semitic—some of their best friends went to prep school in Hampstead; nor are they racist—insulting the waiters in an Indian restaurant is just jolly good fun.

The trouble is they defy satirical treatment, being consciously self-satirising half of the time and unconsciously boring the other half. Mr Sherrin's company of nine is led by Gaye Brown who launches the Well Bred Appeal with the news that children in the Boltons are on the streets crying for ponies.

Most of the material, by a mélange of writers including Mr Sherrin, the show's co-deviser Neil Shand, Charlotte Bingham, Terence Brady and Peter York, is thin beyond belief. Punch lines are invariably feeble and the running gag of a limping chalet girl not even funny when audible. Tristan Davies'a "Covering season" sketch at least offers the sight of a predatory Gaye Brown descending on her trouserless prey with the exhortation to "little Pooh" to come out of his lair for something sticky.

As black-out revue, which is the art the show purports to emulate, the production is a non-starter.

Alastair Muir

Gaye Brown and Nick Wilton

There is at least a natty design by Daphne Dare giving us a Sloane Square picture postcard and lots of Laura Ashley swagging. And Jan Ravens and Nick Wilton are two genuinely talented newcomers. But even a devoted Sloane would have a struggle to justify the interval champagne. For myself, I must hurry to catch the last Tube home to Upminster, otherwise my cocoa will get cold.

Rosmersholm/Arts, Cambridge

B. A. Young

I cannot take *Rosmersholm* very seriously nowadays. Those radical thoughts among the young at Dr Kroll's school are old hat by now, and Kroll'a imperative conservatism is fascism to today's radical young. Anyway. Ibsen never tells us what those radical thoughts were about. Was it votes for women or the dictatorship of the proletariat? Rosmer, a failed cleric, voices vague ideas about the ennoblement of all men, but this could hardly have goaded his old friend into such ecstasies of hatred.

Mortensgaard, the genuine conspirator (pitched there by communal indignation at his having seduced a married woman) at least seems consistent, He doesn't switch from side to side like the others, according to the dictates of their social relationships. Albie Woodington gives him as respectable a look as any Liverpool councillor.

Ulric Brendel, on the other hand, the uncommitted idealist, seems to have been put in merely for a touch of fun, and P. G. Stephens, with a black hat over his white whiskers, shows us what may become of small-town politicians when they put more passion than analysis into their politics.

Ibsen's imaginary politics, however, are only the lubrication in the social engine that keeps Rebecca West from Rosmer until it is time for them both to jump into the mill-race. Kroll seems to disapprove of all liberals though on principle, though the word "morality" crops up too. David Swift, a true bullying schoolmaster, is quick to condemn Rosmer's apostasy, but sometimes talking so quickly that the meaning leaks away from his speeches.

Roy Marsden makes Rosmer a weak personality, who, having ceased to be a weak clergyman, has simply become a weak layman, and he does it convincingly. If Ibsen had given me more to believe in, I should have believed it all. There was neither love nor passion in his proposal of marriage to Rebecca: it was just a tiresome duty. When he agrees to the double suicide, there is a moment's affection, but it hardly breaks the surface of his Rosmersholm seriousness, and the arguments that lead to such an agreement are never expressed coherently enough by either party to convince me of its need, except to end the play.

Carolyn Pickles is a nice young Rebecca, a shade too young for 30. She should be wielding a tennis-racket rather than a crochet-hook. She was only playing when she led Rosmer out to the fatal bridge. When Mrs Helseth (Barbara Hicks) saw them jump in, she should have run out with bath-towels instead of screaming that "There is no help here!" (when in fact there was a coachman waiting to take Rebecca).

Shaun Irwin's set is dominated by a great iron window-frame slung between two metal arms that can drop it downstage, to be looked through, or upstage, to embroider the sitting-room, or upstage and inclined to the vertical to suggest the sloping walls of Rosmer's study. I could have done it without it.

Bourgeois Gentleman/Watermans Centre, Brentford

Martin Hoyle

Paddy Fletcher

The Watermans Arts Centre, Brentford, is one year old this month. This spacious complex of theatre, cinema and gallary, situated on the river bank opposite Kew Gardens, is such a success story that it seems to have been an indispensible amenity of the area for much longer.

For the rest of the week the Actors Touring Company are presenting Molière's *Bourgeois Gentilhomme* in the Penguin Classic translation (not so as you'd notice). For the most part hugely enjoyable, *c'est magnifique mais se n'est pas Molière*.

Not that one objects. The mixture of styles that includes the *nouveau riche* Jourdain in full-bottomed wig and cupid'a bow mouth besides a modern drinks trolley, a vacuum-cleaning maid and the bespectacled meritocrat of a juvenile lead with an accent several cuts below Ken Livingstone's, establishes its own zany style:

A company of six takes innumerable parts in Mark Brickman's breathlessly imaginative production. Highlights include a routine for four tailors in black tights and tailcoats (a cross between Max Wall and the Freres Jacques) who briskly strip and dress Jourdain to the pounding beat of classical pops.

David Tysall follows his Einstein-like Music Master mit Cherman accent, hair like a demented dandelion and black suit giving off clouds of chalk-dust, with the parasite aristocrat Dorante. Languid and gangling, he occasionally trails off as if terminally bored, spasmodically twitching as if on a high in some *grand siècle* equivalent of the King's Road. A beautifully delicato performance of drowsy voraciousness, of a subtlety unexpected in the hurly-burly of touring.

He is equalled by Malcolm Scates, first glimpsed as the smirking Dancing Master in white tights, later marvellously volatile as an Italian chef serving the incredulous *bourgeois* a nouvelle cuisine meal of garish minimalism.

Mr Scates also gives us the proletarian romantic besides the odd lackey (as does almost every member of the cast, of both sexes). Alison Peeble's sturdy north-country Mme Jourdain exudes outraged common sense at her husband's eagerness to enter society. Siobhan Nicholas ranges from a fashion designer, chic in a little black number, to the contemptuous countess who joins in the hoodwinking of the hubristic arriviste. The stalwart Chris Barnes, a former Peer Gynt, completes the strong entourage capering round Jourdain.

Too strong, perhaps. Paddy Fletcher's socio-culturally aspiring tradesman is swamped by his supporting cast. He mugs and struts with a will (what a part for the late Tony Hancock!) but in the general mêlée the compass is lost. With no normality to be seen, excess loses its power to shock. And the play's first part runs 80 minutes to the second part's 40, underlining the virtual standstill of the plot in Moliere's (originally balletic) recourse to sheer clowning. But these are small grumbles in an exuberant and beautifully drilled production.

'La Cage aux Folles' at the Palladium

La Cage Aux Folles, the Broadway hit musical, will open at the London Palladium on May 7, 1986.

The musical is based on the play by Jean Poiret, with lyrics by Jerry Herman, book by Harvey Fierstein and direction by Arthur Laurents.

George Hearn will repeat his performances as "Albin" and Dennis Quilley will take the part of "Georges."

Saleroom

Antony Thorncroft

Sotheby'a sale of modern British pictures got off to a fine start yesterday morning with Frost and Reed, the London dealers, paying £50,600 for "The Ration party," a First World War trenches scene by Frank Dobson. It was an auction record for the artist. The picture was commissioned by the Imperial War Museum but when it saw his Vorticist treatment of the subject it declined to take it.

Another London dealer, John Hartnoll, paid £44,000 for a typical Munnings of ponies with children, while a portrait of the singer Maggie Teyte by Sir John Lavery sold for £39,600, double its estimate. Agnew bought Stanley Spencer's "Cacti" for £33,000 while Sir William Nicholson's "Pink Peonies" realised £30,800, a record for the father of Ben.

"Poplars and willows" by Charles Conder went to an Australian dealer for £30,800, and among the other artist records were £15,940 paid for "By the dam" by Fred Appleyard, and £10,450 for "A backwater of tha Thames" by Archibald Barnes.

Sotheby's also managed a very high price in its auction of Japanese works of art, a netsuka of a rat by the celebrated Masanao doubling its forecast at £20,900; it was brought in, unappreciated, to its Chestar saleroom.

Silver did well for Sotheby's in Geneva, totalling £1,151,859, with only 5 per cent bought in. The two top prices were paid by S. J. Phillips, the London dealer — £179,032 for a German parcel gilt Nef mada around 1610 in Regensburg (estimate around £30,000), and £141,935 for a German gold beaker and cover made in Dresden around 1750 with the arms of 28 leading Thuringlan families.

The dangers in offering a painting to the market within a few years of its last appearance there were well revealed at Christie's big Impressionist sales in New York on Tuesday night. "Composition en rouge, bleu et jaune" by Mondrian was the most expensive abstract painting ever sold at auction when it made £1.5m ($2.3m) at Christie's in London in 1983. Its Japanese buyer tried to sell it on Tuesday but it was bought in at $1.9m. Other casualties were Renoir's portrait of Madame Henriot, unsold at $750,000, and Modigliani's "La fille au collier," bought in at $650,000.

There were successes in an auction which totalled $5.9m (£4.1m), with 44 per cent unsold. Joan Miro's "Le corps de ma brune . . ." realised £538,461, as did Dubuffet'a "Paris — Montparnasse." This was an auction record for the artist. Renoir's "Jeune fille au chignon" was on target at £423,076, while "La blonde aux boucles d'oreille" by Modigliani beat its forecast at £369,230.

Of two private collections, the pictures of Harris Whittemore did amazingly well with a total of $7.1m (£5m) for ten pictures and only 5 per cent unsold, while the 39-strong collection of Juan Alvarez de Toledo brought in $6.2m (£4.3m), with 42 per cent unsold. This was largely due to the failure of Van Gogh's "Bouquet de fleurs sauvages," which was unsold at $1.9m.

The successes of the Whittemore pictures were two of the celebrated haystack paintings of Monet, "Meule, soleil dans la brume" which made £1,538,461, and a similar, "Les meules au soleil, effet du matin," £1,461,538. Among the de Toledo Impressionists "Reflexion" by Renoir went to a private American collector for £1m, and, "Danseuse attachant son chausson," a pastel by Degas, for £730,769.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Nov 8–14

Exhibitions

LONDON

The Royal Academy: German Art in the 20th Century – until Dec 2 – this is certainly the most important exhibition at the Royal Academy since the Post Impressionist Exhibition, in terms of the practical study of the art of our own time. But it is a partial rather than definitive treatment of its subject, more closely defined as the Expressionist Tradition in modern German Art. The pioneer expressionists of Die Brück and Der Blaue Reiter – Schmidt-Rotluff, Nolde, Kirchner, Mueller, Macke, Marc and Kandinsky, Beckmann, Dix and Grosz are the heroes. Beuys Kiefer and Richter continue in spirit.

PARIS

The fame of Victor Hugo. To mark the 100th anniversary of the poet's death, some 1,000 documents – grand and less grand, including caricatures, posters, photographs, try to explain the extraordinary phenomenon of Hugo's glorification. Grand Palais, closed Tue. Ends Jan 6 (2615410) Petit Palais adds to Hugo's celebrations an exhibition Le Soleil d'Encre consisting of more than 300 of the artist's drawings and 200 manuscripts belonging to the Bibliothèque Nationale. Petit Palais, closed Mon (2651273).

Modern Masters of the Thyssen-Bornemisza collection: The 107 paintings from one of the world's most remarkable private collections constitute a panorama of modern art which is anything but didactic. German Expressionists were one of Baron Thyssen's first loves, quickly followed by Kandinsky and the Russian avant-garde. Manet, Renoir, Degas, Lautrec create another centre of interest, while Picasso's l'Homme à la Clarinette is one of the Baron's favourite acquisitions. Musée d'Art Moderne, 11 Avenue du Président Wilson (47236127). Closed Mon. Ends Jan 5.

WEST GERMANY

Hildesheim, Römer und Pelizaeus-Museum, Am Steine 1-2: Nofret, the exhibition covering Women in Egypt. For its last stop in Germany, the exhibition will carry 177 pieces, an extra 96. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assembly of Pharaon Art. Ends Nov.

Ludwigshafen, Wilhelm-Hack-Museum, Berliner Str. 23: "Apocalypse, a principle hope?" – To honour local philosopher Ernst Bloch, on the 100th anniversary of his birth, the museum will exhibit 400 illustrations depicting the end of the world, ranging from the middle ages to the 20th century. A book by Bloch, "Ein Prinzip Hoffnung," is the basis of this show. Among the artists are Dürer, William Blake, Arnulf Rainer, Markus Lüpertz, Joseph Beuys and Enzo Cucci. Ends Nov 17.

Berlin, Nationalgalerie: Art from 1945 to 1985. With 300 works by 220 artists the Berlin National Museum will display an extensive exhibition of post war art. Ends Jan 12.

Stuttgart, Neue Staatsgalerie: A retrospective of 81 works of the British artist Francis Bacon (born in 1909). The works, covering 40 years, are on loan from the Tate Gallery, London. Ends Jan 5.

BRUSSELS

Spanish Netherlands 1500-1700: Renaissance and Baroque, Flemish and Spanish painters – Velázquez, Rubens, Murillo, Van Dyck, El Greco. Palais des Beaux Arts. Ends Dec 22.

Goya: paintings, drawings, etchings from Spanish public and private collections. Musée Royale des Beaux Arts. Ends Dec 22.

Picasso, Miró, Dali: Palais des Beaux Arts. Ends Dec 22.

ITALY

Florence: Museo di Storia della Scienza: A History of Spectacles. More than a hundred pairs of glasses from the Zeiss foundation (in E. Germany). This is the first time the collection has been shown publicly. Exhibition also includes engravings by Durer, Rembrandt and Japanese artists. Ends Jan 11.

Venice: ca' rezzonico: Warsaw 1764–1830: From Bellotto to Chopin. A vast exhibition in a splendid setting, organised by the Polish Ministry of Culture and the Italian Institute in Warsaw: paintings, drawings, architectural designs, jewellery and furniture lent by Polish museums, from a troubled, but highly creative, period of Warsaw's history. Ends Nov 20.

Rome: Museo delle Mura, Porta San Sebastiano: Trade Routes Between the Mediterranean and the Far East in the Ancient World. The museum is set into the Aurelian walls above the gate through which the Appian Way passes and is worth seeing in itself. Organised by the Commune di Roma and the Museo Nazionale d'Arte Antica, the exhibition explores the movement of goods (incense, Myrrh, silk and spices) to Italy from the east from the 8th century BC to the Middle Ages. Clear and informative and illustrated mainly by photographs and diagrams, but one felt that the exhibition was aimed more at school outings than tourists and that a lot of the information could have been got just as well from a good book. Ends Jan 5.

SPAIN

Madrid, a retrospective of 200 paintings, waxes and drawings by master of Cubism Juan Gris (1887-1927) on loan by private collections and museums of Europe and the U.S. The exhibition offers for the first time in Spain and Europe a good assembly of Gris's best works. Biblioteca Nacional, Sala Picasso, Paseo recoletos 22. Until end of Dec.

Madrid, a selection of 162 XVIIth century paintings including Ribera, Caravaggio, Luca Giordano, Vaccaro, Cavallino, Pretti, Caracciolo, Salvatore Rosa, Micco Spadero, Falcone, etc. Palacio de Villahermosa, Prado Museum. Until end of Dec.

VIENNA

Art From The Stone: Art lithography from its origins to the present. This exhibition shows the versatility of nearly 200 years of European lithography. Most artists seem to have had a try at drawing or painting "on the stone" – from Goya to Picasso, Delacroix to Chagall, Toulouse-Lautrec to Miro, Munch and Beckmann. The exhibition explains how lithography began, how it is done, and goes a long way to explain its continued fascination for artists. At the Albertina until Dec 8.

Treasures From The Forbidden City, Peking: A selection of 120 objects covering 3,500 years of Chinese history from Peking's Forbidden City, the former Imperial Palace, now a museum. It includes gold and jade pieces, calligraphy of all kinds, musical instruments, costumes, paintings, procelain vases, dishes and cups from the Ming and Qing dynasties, and paintings on silk rolls showing the elaborate ritual of the court, or members of the royal family at leisure or on one of their epic journeys. This is the last opportunity to see the collection in Europe before it returns to the Forbidden City. Museum of Ethnology, Heldenplatz, Vienna, until Dec 8.

NEW YORK

Metropolitan Museum of Art: The travelling show India, arrives from Washington with 350 examples of six centuries and numerous flourishing periods of art and craft. Ends Jan 5.

Asia Society: Complementing the Metropolitan show, Akbar's India concentrates on the 49-year reign of the sixteenth-century Mughal emperor who built Fatehpur Sikri and inspired the works represented here by 80 paintings as well as metal work, carpets, and textiles. Ends Jan 5.

Museum of Modern Art: Making generous use of the Riklis Collection of the McCrory Corporation, this exhibit of geometric abstract art of the twentieth century entitled Contrasts of Form covers the Russian Constructivists and American Minimalists as well as Cubism and Bauhaus. Ends Jan.

WASHINGTON

National Gallery: 118 Master Drawings from the fifteenth to nineteenth centuries lent by the Swedish Nationalmuseum include works by Dürer, Rembrandt, Rubens, Van Dyck and Goya. Ends Jan 5.

CHICAGO

Art Institute: Chalk & Chisel combines 11 sculptures with more than 80 sculptors' drawings to show the interplay between preparation and execution in the work among others of Rodin, Carpeaux and Rysbrack. Ends Dec 12.

TOKYO

Pottery from Jomon to Edo (Pre-History to 19th century). These masterpieces constitute a tour through Japanese ceramics history. The elaborately shaped and decorated large Jomon pots recalling Pre-Columban wares raise interesting anthropological questions. The variety of the rough textures and variegated and subtle colours of the more recent Echizen and Shigaraki ware, the unglazed Bizen, and irregular-shaped and crude Iga clearly exemplify Japan's rich ceramics heritage. The influence of Korea and China is identifiable. Despite the dreary (scholarly?) installation, some of the pieces are breathtaking. Good English explanations and labelling. Ends Nov 24. Situated near the Museum of Western Art of the Van Gogh, the two exhibitions may be effortlessly combined.

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Brinkmanship in tin market

A FUNEREAL atmosphere surrounds the International Tin Council today as delegates gather again in London to sift through the wreckage of its efforts to support the tin price. Despite countless meetings between government officials, bankers and traders over the last few weeks, the ITC's members seem no closer to agreeing on a way out of the mess bequeathed by its suspension of trading in the tin market on October 24.

Equally, it looks extremely unlikely that solutions will be forthcoming today. Unless something dramatic changes, the stage will be set for an eventual resumption of tin trading—and inevitable price crash—on the London Metal Exchange, followed by heavy losses for its trading members and an avalanche of legal writs between traders, bankers and governments.

There were signs yesterday that the LME was preparing to postpone the reopening of tin trading from next Monday, apparently following pressure from the banks. This will provide a welcome respite. Nobody believed that the ITC, which moves at the lethargic pace of all international organisations, would be able to bridge the deep rifts between its members before then.

But the closure of the tin market over the last few weeks has caused increasing frustration for those traders who stand to make a profit if tin prices fell, and they could threaten legal action against the LME authorities on the grounds of unwarranted interference in their business. Clearly, the exchange cannot keep tin trading suspended indefinitely.

The onus thus rests ever more strongly on the 22 member governments of the ITC to abide by their obligations in the markets and pay the council's sizeable debts or back them with guarantees.

Immunity

Britain, with the health of the LME uppermost in its mind, has been engaged in a frantic lobbying effort in other European capitals to try and persuade its EEC partners that this is the honourable course. But yesterday, that appeared to have failed. And key tin producing countries, notably Malaysia, have been reluctant to take any lead in the matter.

The trouble is, as several EEC countries have been swift to point out, that the legal position is far from clear. Nor is there any great body of precedent on the legal obligations of such international bodies.

Although ITC members theoretically have a treaty commitment to back the council's buffer stock, some of them are now apparently trying to wriggle off that hook by pleading sovereign immunity. And since the buffer stock manager, Mr Pieter De Koning, ran out of money with which to support the market in October, some member governments have also been trying to maintain that they were unaware of the extent of the debts he was running up.

That argument looks decidedly thin. Mr De Koning insists that he kept ITC members closely informed throughout his increasingly desperate efforts to prop up the market. He told them on several occasions that he was running out of cash, and they dragged their feet in stumping up more.

But there is a broader principle at stake. By joining the ITC, all 22 members entered into a commitment to support the tin market through a buffer stock operation. It is true that the operation eventually fell on its face, and that such ventures are by definition ill-fated when growing amounts of tin — encouraged by the agreement's artificially high prices — are flooding onto the market from producers outside the agreement such as Brazil and China.

It will not do, though, for sovereign governments simply to wash their hands of the tin council now. Traders and bankers dealt with the ITC — arguably on excessively generous terms in some cases — in the awareness that it was a body made up of 22 sovereign governments and backed by the United Nations, and as such extremely unlikely to renege on its debts.

The parallels with the international sovereign lending boom are all too clear — but this time, the leading debtors unwilling to pay include such pillars of fiscal rectitude as West Germany.

If an organisation with such backing is not to be considered credit-worthy, it might raise questions about the financial solidity of some other multi-governmental institutions.

It is understandable if consuming countries want no more truck with the price-support arrangements of the tin agreement in the longer term. But that still begs the question of what is to be done now.

The ITC's 16 creditor banks, together with the nearly 20 others involved with tin traders on the LME, have this week come up with proposals to lend it more money and to spread repayments over a longer period. That might provide a basis for an orderly winding-down of the buffer stock over time, which is probably the best way out of the mess. But they still need those government guarantees. It is time for the majority of ITC members to stop playing Pilate and accept the consequences of the council's collapse.

Unfinished task for management

THE Thatcher Government takes pride in its record in stimulating a change in the country's industrial relations culture. It holds that its framework of employment and union legislation has redressed the balance of power and that managers are now able to innovate and control in ways denied them in the past. They point to the low level of industrial action and to the brave new world of no strike, single union and flexibility agreements now being signed by a variety of (mainly Japanese) companies.

These claims are not to be dismissed, but they need some qualification if real gains are to be built on and extended in the second half of the 1980s. The new-style deals get a good press, but they remain exceptional: much has to be done in the heartlands of industry, and it is management's duty to do it.

Japanese advantage

For example: the current Ford pay negotiations see management once more looking for "radical changes in working practices" which as far appear to have eluded it—even though, in successive years, it has warned the union with varying degrees of urgency that radical change was essential if ruin was to be averted. At the root of Ford's pitch is that pay awards must be self-funding by productivity improvements: these latter would include an end to demarcation lines, retraining in new skills and flexibility between different functions. It is remarkable that, despite all its efforts over the last few years, Ford is still seeking to agree practices which its Japanese rivals have taken for granted for years.

Vauxhall, the UK car industry success story in recent years, has claimed it suffered 165 strikes in the year to September, making up a loss of 1.4m working hours. This in itself is a gloss on the national strike figures: where the fear of joining the dole queues is removed, the customary methods of pressure are applied once more.

Away from manufacturing industry, the indications are that change has been far from radical—even, not visible at all. How much more productive have local authority workers become? Will the teachers finally agree to a pay system which rewards good quality teaching (and penalises the bad)?

As always, Fleet Street is at the bottom of the class. For all the talk about change, no national newspaper has yet harvested the gains which new technology could bring.

Union obstructiveness, even where present, is not an alibi any longer. If the claims that a new culture exists among managers are to be realised, there must be more and clearer instances of a general will to change, and change rapidly. The labour shedding of the past five years has often not been accompanied by parallel measures to raise productivity: a large contributory reason for this may be that too few companies have instituted genuine systems for involving, informing, and motivating their workforces.

The recession took an early and savage toll of that most basic and valuable company tool for informing its workers—training: there is little sign that healthier company profits have yet restored it to adequate levels. Further, a surprisingly large number of companies have not even complied with the minimal requirement in the 1982 Employment Act that they describe in their annual reports what steps they are taking to involve their employees.

There is more than enough evidence, from the most successful companies in Japan, the US and in Europe, that better performance flows from a common sense of purpose. Management's unfinished task is to foster that attitude among all its employees.

AN INTERVIEW WITH MARGARET THATCHER

Half way there, but still much to work for

By Geoffrey Owen and Malcolm Rutherford

MRS Margaret Thatcher wants another five or six years as Britain's Prime Minister in order to complete the economic transformation of the country that she embarked on when she was first elected in 1979.

"After six-and-a-half years," she said in an interview with the Financial Times yesterday, "I'm about halfway through."

Mrs Thatcher denied that there had been any "relaunching" of Government policies in the last few weeks, including the publication of the Autumn Statement on the economy on Tuesday. But it is quite clear that there *is* a change of emphasis in the way policies are being presented.

In the course of the interview, the Prime Minister admitted that she was pained by the attacks on her by the former Tory leader, Mr Harold Macmillan, now the Earl of Stockton, and by the reports of "crumbling Britain."

She also gave a warning to industry that it must control unit labour costs and the level of pay settlements. Otherwise, she said, she could retort that she should have cut the standard rate of income tax rather than help industry by the gradual abolition of the national insurance surcharge.

The Prime Minister insisted that the time was not ripe for Britain to become a full member of the European Monetary System. More legislation affecting the trade unions might be under way, but she would not commit herself. She was particularly bullish about the prospects for building the fixed link across the Channel. Privatisation, she said, would continue into the 1990s.

She was much less certain about the outcome of the teachers' dispute and confessed to not knowing the answer.

In party political terms, Mrs Thatcher said that her task was one of "killing socialism" and challenging the conventional wisdom as it has been known for the last 20 years or so. She thought that the formation of the Social Democratic Party was a mistake; the Social Democrats should have fought within the Labour Party in order to expel the far left.

Here are some of the main points of the interview.

The question of the need for more time was paramount throughout. Mrs Thatcher said: "I think that one did not realise the extent to which we had the most colossal overmanning and inefficiency.

"That really was the turning round, in some respects an attitude which had developed really over 30 years. You see, we were successful from 1945 to about 1962/63 because those whom we beat had not yet recovered and the newly industrialised countries had not yet got going.

"When we came under true competition, we could not compete, and actually the 1970s were not a good period for making us compete.

"They were a period for palliatives, getting round, so that we did not have to compete, and so when I did come in, yes, it was a much more fundamental job, because the only basis for expansion is successful profitable industry and commerce . . . I have now got it."

"Well, look at the *profits*." The Prime Minister said in answer to doubts. She warned, however, of the danger developing. "The profits are good, but there is this problem coming in that our unit labour costs are going up faster than those in either Germany or in Japan, and that does now make me say to industry: 'Well, I hope I was right. I tried to knock out national insurance surcharge to help you keep your unit labour costs down. If you are merely going to put what we, the Government, gave you into wages, I could have done better on incentives by taking that £3.5bn and knocking it off the standard rate of income tax, which would have increased peoples' net take-home pay, and would have been in line with our belief that you need incentives."

Mrs Thatcher said that no decision had yet been taken on the method of tax cuts in the next budget—whether by a reduction in the standard rate or by raising tax thresholds.

"We do not make decisions like that until we have had the latest forecasts which we get, I think, in February, and then you have a look and see what you can do best at that time."

The Prime Minister claimed repeatedly that she hated the word . . . "infrastructure," but "you know what I mean." The Government had been working on it for a long time.

"If only I could have a sort of Greater London Council board outside every hospital scheme that we are doing: 'This is the Government building a new hospital, extensions of a hospital, a health clinic, for you.' I would be doing brilliantly. It has taken me 11 months to get it across . . . Now, all of a sudden, it has got across."

She remained insistent that infrastructure investment must, like all other, be judged by its return. "It is not a cheap route to more jobs."

"Frankly," she said again, "you do not get many jobs from infrastructure." As for public expenditure in general, she added: "You have to judge it mainly on return or on social merit. Never look at it on grounds of job creation, because what people who do that forget is the jobs lost in the place where you take the money from."

Mrs Thatcher became distinctly enthusiastic about the fixed link across the Channel, which she stressed would be built by the private sector.

"I am very anxious to get the Channel link going because I think that our generation needs to do something exciting . . .

"I just remember, when we first went into opposition, the day that Tony Crosland announced that we were cutting out the Channel Tunnel and Maplin. I remember my automatic thought: there has gone all the excitement. We were just going to do the humdrum. All right, we have had to do quite a bit of the humdrum, but our infrastructure—that horrid word—is not in bad shape at the moment, and we are doing it steadily."

The Prime Minister also confirmed that the Government is having a look at a new Dartford Tunnel under the Thames, though again stressing the role of the private sector. "I do not notice that I have brilliant industrialists and managers round my cabinet table and these things ought not to be within our control."

She said that she had read every word of the report on airport development during the last Christmas recess and that now a decision had been taken on airport expansion that had been "banging around for 20 years."

Mrs Thatcher denied, as she did at the Conservative Party Conference last month, that there was any question of reflation. The public sector borrowing requirement would continue to decline as a percentage of gross domestic product.

On the subject of full British participation in the European Monetary System, she argued that the time was still not ripe, though the country would join one day.

"It is the dollar we have had trouble with," she said. "The EMS would not help the dollar. I think that you have to be very careful before you lock yourself into a mechanical thing."

Asked whether membership would rob Britain of flexibility, she went on: "At the moment, yes. I think that we are still sufficiently different from the European currencies to be buffeted about by some things that would not affect them and therefore I think that the time is not yet ripe."

The Prime Minister offered no immediate prospect of an end to the teachers' dispute. "We have had two goes during the lifetime of this Government at trying to get pay related in common-sense terms to duties. They would never do it."

She added that in some of the London schools "the political indoctrination is horrific." Several times she said that she did not yet know the answer.

There were two references to the Earl of Stockton and his recent criticisms of the Government's direction. "I do get a bit upset about Harold Macmillan," she said. His own government, she remarked tartly, had denationalised the steel industry, something which she had not yet got round to.

She was not convinced by Mr Kinnock's attempt to reform the Labour Party. "As it comes up to an election they (Labour) try to draw the veil over the extreme left and present themselves as respectable. I saw Wilson do it; I have seen Callaghan do it. It will happen again.

"What ought to have happened, and I felt this strongly, this is why I criticise the SDP so much, they ought to have stayed in and done the infighting and made the extreme left split off. They have not. They took the easy way; they split off.

"Now had they done it historically and split off the left, they would have gathered strength—and become what I call the true old-fashioned Labour Party. Then I think they would be far stronger. I believe they have to do it some time. I believe the splitting off of the SDP really was a step in the wrong direction, because it was what delayed the purging of the Labour Party of the extreme left. This argument has been going on most of my time in politics in Parliament . . .

"The ones who should have stayed in and fought caused out and they made the present problem more difficult. Now, by doing that, you have got far more extreme left in the Labour Party than at any time in my lifetime in Parliament and unless they say: 'You shall not stand as Labour' they will not deal with it."

As for the Liberals and the SDP, "It is not inherently a strong alliance. I mean, it is two strong personalities, but even there, there is virtually no consistency.

"No, it was a wrong direction, because if I might say so, I have always regarded part of my job as—and please do not think of it in an arrogant way—killing Socialism in Britain. Socialism has only one direction in which to go, and that is further left, because there is a welfare state and there will continue to be a welfare state, and the only way Socialism can demonstrate is to go much further left, into making people depend on government for everything: their housing, their welfare payments, everything, and deny them fundamental independence. That is the kind of Socialism that I want to kill because ultimately it denies freedom. . .

"The new conventional wisdom is that there is not one for Britain ever, it is not British it is outside their character . . . which I firmly believe . . . and therefore that is unacceptable in Britain. You then get to two parties for which that kind of thing is unacceptable and then you have two parties which I believe is in fundamental keeping with the character of Britain, and that is part of my role and I will not be satisfied until I have done it. I am only six and a half years in, but give me another five and we might have entrenched it. I have not entrenched it yet.

"We are changing it (the conventional wisdom) but it is still there and you have only got to look and see how it operates in the inner cities. You have only got to look and see how ILEA operates. You have only got to look at Haringey, at Camden, it is still there.

"In another five years then I would have been in 11½ years, then someone else will carry the torch, but by that time I think that we will have got the conventional wisdom, to use again a jargon phrase, such as that is not acceptable to Britain.

Social democracy, that is looking after the underdog, yes, but at the same time, the best way to look after the underdog is to make certain you keep your wealth creators going. That is what a Helmut Schmidt social democrat would say. It went the wrong way, the SDP."

Socialism has only one way to go, and that is further left

Men and Matters

Abaco gets the Gunn

Quite a coup for a small financial services and property company like Abaco Investments to secure John Gunn, former chief executive of money brokers, Exco International, as a non-executive director.

Gunn's appointment follows the purchase by British and Commonwealth Shipping, where Gunn is now an executive director, of a large minority holding in Abaco.

But it also owes something to contacts established between Gunn and Peter Goldie, one of Abaco's directors and a former executive of merchant bankers, Guinness Mahon. Goldie and Gunn worked together on financing the purchase in 1981 of a large stake in Telerate, the financial information group, by Exco and other UK institutions. The two men have kept in touch since.

"We got on well so I went to see him the day after he went to British and Commonwealth," Goldie said yesterday. Goldie felt that B and C might be persuaded to back Abaco in the same way that it helped Gunn finance the setting up of Exco.

"We are a long way from being an Exco but the sectors we are in also interest British and Commonwealth," Goldie said. "John Gunn will be a good source of information and contacts in the City."

Abaco has grown rapidly since Goldie and Cameron Brown, another former Guinness Mahon executive, injected their finance and investment company, Brown Goldie, into Greencoat Properties in 1983.

Abaco, which bought John Charcol, one of the largest independent mortgage brokers, last year as part of its expansion plans, reported more than doubled profits of £657,000 in the year ended June

Up market

The Channel Islands authorities are beginning to find that there are some costs in having a booming offshore finance industry. Some local civil service salaries have had to be raised substantially to keep up with the Joneses of the banking world.

Earlier this year Guernsey appointed Richard Whitford, 43, as its first banking supervisor. To lure him from Allied Bank International in London, it had to offer him the market rate of £29,500 a year.

But his boss in Guernsey, commercial relations adviser Bruce Riley, was only getting around £21,500. So he has been given a useful rise of some £10,000.

Now the Guernsey civil service board's latest published list of salaries shows that the income tax administrator and his assistant have been given "personal gradings" with rises of about £8,500 and £7,200 respectively — because, it is explained, their duties involve dealing with top bankers.

Jersey has been running into International in London, it had similar problems in its law officers' department. Two legal advisers recently resigned to go into more lucrative private practice, and a £30,000-a-year vacancy for the job of solicitor-general has attracted little interest among local advocates.

The island's attorney-general, Vernon Tomes, says it will be "virtually impossible" to recruit people of the right calibre if the authorities do not bear in mind that government employees can earn an extra £10,000 a year simply by crossing the road to join one of Jersey's finance-orientated legal practices.

Peacock cry

Alastair Hetherington, former editor of the Guardian, and former controller of BBC Scotland, has given the Press a comparatively clean bill of health in his book, News, Newspapers and Television.

In it he takes a close look at what constitutes news, and how decisions on news are taken.

In a personal postscript he concludes "Dishonesty and distortion exist in Fleet Street, as in the community at large. Fortunately the unscrupulous are outnumbered by those intent on honest journalism."

Which seems to be good news for the Press.

But the line between fact and opinion is always a hard one to tread, as Hetherington himself demonstrated at a Press conference yesterday.

He explained that, as a member of the Peacock committee which is looking into the structure of finance and broadcasting, he was debarred from saying anything about its deliberations.

But that constraint did not deter him from adding, "It is safe to say, simply on the basis of published evidence, that if both the BBC and ITV were to have to rely chiefly upon revenue from advertisements—then the interests of both BBC news and ITN would be bound to fall . . . before long advertisers would begin to have to have some influence on scheduling and content."

Political gas

Everybody is entitled to a change of mind, of course. But politicians should be reminded, perhaps, of their previous convictions.

Peter Walker, Energy Secretary in charge of the high-speed sale of British Gas, defended the Government's privatisation policy against the strictures of Lord Stockton at the week-end.

Eight years ago, in his book The Ascent of Britain, Walker argued that the possibility "of making the employees the future owners of some of the nationalised industries" should be examined.

But he went on: "It would not be applicable in the coal industry because the miners would want the industry to remain as a single entity, owned directly by the state . . .

"Nor do I believe it would be possible to transfer ownership of the other energy industries. They are basic services that it is sensible to operate nationally, and the relationship between investment and manpower is such that it would be wrong to transfer them."

Is the Cabinet's leading wet slowly drying out?

Going to waste

Tom McInerney thought he was going to be sent off to China, so circumspectly was he approached by Lord Marshall, chairman of the Central Electricity Generating Board, to take on the post of managing director of UK Nirex, the new nuclear waste disposal company.

UK Nirex is to be a novel kind of state-owned company—with four state-owned shareholders plus a "golden share" owned by the government itself.

According to McInerney, Marshall approached him at a country barbecue in July, with both their wives present. But whereas Marshall often gets into hot water for his outspokenness, this time he was being uncharacteristically coy.

He talked so much about the big task with an international dimension, that McInerney convinced himself it must be China and his boss's well-known interest in helping to set up overseas power stations.

McInerney comes to his new job as a senior CEGB manager with long experience in operating nuclear power stations, where much of the nuclear waste comes from.

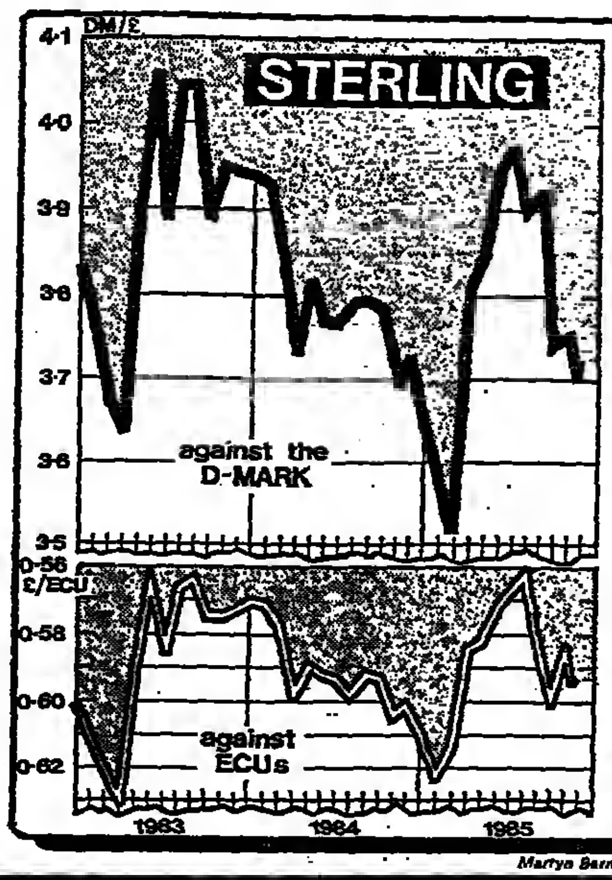
He cheerfully denies any recent infraction which might have led to him drawing the short straw.

Observer

Economic Viewpoint

Now, alas, it is time to join the EMS

Samuel Brittan on why he has changed his mind about Britain joining Europe's currency system



Martyn Barnes

AS SOON as I saw the popular press headlines, such as "Nigel's Magic Money Spinner," I knew that there could be only *one* theme for Economic Viewpoint this week—and probably most succeeding weeks.

This is: "End this PR hype" and "End it at all costs." Ever since the Prime Minister spoke about "putting the marketing men out front" after the Cabinet reshuffle, I have felt extremely uneasy.

This unease has only been increased by the publicity—perhaps not coming from the Treasury—surrounding the Autumn Statement. The Treasury may heve gone out of its way to provide figures showing public spending on a stable path net of asset sales. The Chancellor and Chief Secretary may have deliberately refrained from giving any numbers on tax cuts.

But at the popular level the slogan is "Spend more and tax less." In practice the populist messages from No 10 tend to set the tone in Whitehall, rether than the small print of Treasury statements—except when sterling rises bring the populism to a halt.

The ironical thing is that during all the years of Thatcherite talk about *holding* back public spending, the total was *actually rising fast* in real terms, up to and including 1984-85. Even as a proportion of GDP it was then 46 per cent — 3 per cent higher than in the last Callaghan year.

Now, *however*, that the Cabinet is being instructed to say how wonderful public spending is, the Treasury projections — *excluding assets sales* show a levelling off or even slight decline in real terms (Autumn Statement, Page 29).

The question is, whether the Treasury will be able to make these targets stick. Propaganda which suggests that privatisation provides a cornucopia for tax cuts is hardly likely to encourage spending restraints.

Instead of speculating about tax cuts, the size of the PSBR will permit, it is better to say there may not be any. A boost to consumer incomes from lower import or lower oil prices is just as good as a tax cut and better accords with the Government's earlier emphasis on the fact that it is not a Santa Claus. (My reward for defending this latter proposition on countless social occasions has been to be told that there *is* such a thing as a free lunch after all and that the cure for dilapidated council houses is still more council spending).

We have now the worst of all worlds. The hostility generated by the earlier hands-off oratory in its unsubtle and abrasive form remains, plus the reality that market solutions have been rejected *in* area after area, and that conviction politics have been replaced by "re-election at all costs." (Which is the way *not* to be re-elected).

We are back with the need for some kind of constitutional brake on the politics of excessive expectations and over-promising. Although I would prefer a written constitution and other domestic safeguards, the EMS might be the least bad constraint available.

For there is a desperate need for some financial framework which will reinforce the Chancellor against spending and tax cutting pressures, despite the collapse of Sterling M3 as an indicator and the non-credibility of "narrow money."

Ideally an objective for total spending (Nominal GDP), reinforced by occasional indications from the Government of an appropriate range for sterling against the trade-weighted average, should provide it.

Such a framework calls not so much for sophistication, as for an ability to go for essentials rather than technicalities and slogans, simply not present today in British politics, business or the City. It also calls for credibility that the so-called "authorities" will not abuse their technical discretion in an inflationary way, which the Fed and the Bundesbank have earned, but no one in Britain has so far done.

The one way of injecting some credibility into counter-inflationary policy is an exchange rate objective; and the only one available is the exchange rate mechanism of the European Monetary System. It is not the panacea that the Eurocrats suppose, but it imposes far more constraints against inflationary action than the vague hints about a sterling objective which now emanate from the Treasury, and which the markets fill could easily be cast aside.

Membership of the EMS is not, of course, a substitute for macro-economic policy. The Treasury and Bank will *still* have to make decisions about interest rates (let them stop pretending that they control the money supply). They will still have to decide how large a Budget deficit (with or without asset sales) we can afford.

Moreover, such questions will also have to be decided by other European authorities, above all the German, who set the pace and tone for the EMS. Meanwhile the British Government desperately needs some indicator here and now of how low interest rates can safely fall and how much *it* can eafely borrow. The movement of sterling within the EMS range is far from ideal here, but much the best signalling system in sight.

A point, which has not been taken on board, is thet *the pattern of market exchange rates is now unusually favourable for British membership.* Earlier on, the pound was said to be low against the dollar and too high against the D-mark. Now it is about right against the D-mark and no more wrong than any other currency against the dollar.

The fixation with the sterling-dollar rate shown by the Prime Minister is a left-over from the period, which epded in 1973, when nearly all exchange rates were fixed egainst the dollar. Today, far more of Britain'e trade le with Europe than the US; and the only choice worth discussing is between sterling's trade-weighted average and its rate against the EMS.

The Prime Minister's preoccupation with the sterling-dollar rate cost us dearly in last winter's sterling crisis. Because of it, not enough people have noticed that although sterling has risen against the dollar, it has fallen against the EMS and against the D-mark in particular. The depreciation against the D-mark for which the CBI has been agistating has already occurred while *Sir* Terence Beckett's back was turned.

Reasonable people can disagree about wbether sterling should join the EMS at the prevailing DM 3.7 to the pound or whether it should be lowered down to DM 3.5 on joining. But thet is about the range. Anything lower would torpedo the UK counter-inflationary strategy and encourage even more extravagant wage settlements.

There are *three* ways in which a British Government could approach EMS membership. Sterling could move down with the franc (the lira has e special arrangement). It could stick with the average (ie maintain a constant ECU rate) or it could try to stay with the D-mark during EMS realignments. In practice it would be somewhere between the second and third options. Bnt even on the most pessimistie assumptions, there would be a severe constraint on inflation, as the dramatie fall in French (and even Italian) inflation has shown.

A realignment is, of course, a last resort. Most of the time the movement of sterling within the permitted band would give adequate policy signals. If the pound fell towards the bottom, it would be a sign for tightening interest rates. A prudent PSBR would be one which did not threaten the parity.

Occasional realignments do occur under the EMS as under Bretton Woods. But at least the market would regard a realignment as less likely than a shift in the rate under the present floating system. Moreover the history of the EMS suggests that realignments tend to be small, in contrast with the occasional large jumps under Bretton Woods.

Taking all these points, there is a fair presumption that the interest rates required to hold a given exchange might be lower—because of the credibility fector—under the EMS than they are at present without formally stated exchange rate objectives.

The main argument against EMS membership is that pressure on the parity is likely in the run-up to an election. Bot a run on sterling is likely in any event. A mueh bigger hike in inlerest rates might be needed wben — as last winter — no-one is sure of the Government's exchange rate objectives, or how firmlythey are beld, and billions of pounds can cross the exchanges because of what lobby eorrespondents think the Prime Minister's Press Secretary supposes the Prime Minister believes.

Clearly the domestic and international climate of opinion in which Britain joins does matter. Bnt most establishment organisations and bodies like the CBI and the banks have urged membership. So many business organisations have said exchange rate stability is more important that the precise parity that they could hardly make an issue of the terms of membership. French experience does suggest the desirability of a broad political spectrum in support of membership; and the Alliance parties should be kept informed rather than taken for graoted.

* * *

The case being pnt forward here is purely opportunist. It is not based on any enthusiasm for the mercantile cartel that the EEC has become. (The use of a Bowdlerised version of the Ninth Symphony as an EEC hymn is nothing short of hlasphemous). Indeed I am advocating EMS membership *despite* rather than *because* of its EEC aspect.

A European Monetary System worthy of the name would be based on a European Federal Reserve and a common currency. Better still it would be a currency directly convertible into a specified commodity basket rather than merely consisting of promises to hand over one piece of paper for enother.

What is on offer is nothing like that, but merely an opportunity to link sterling with a relatively non-inflationary currency namely the D-mark. The Germans have, in a very pragmatic way, without any teutonie profoundity, managed to run a non-inflationary policy. If sterling were linked with the D-mark, the ordinary forces of market competition would keep thet prices of British traded goods in line with German ones, and make it financially impossible for British exporters or domestic producers competing with imports to concede inflationary pay claims.

There is nothing novel in this. Even for Friedmanite moeetarists, a link with a strong non-inflationary currency has always been an alternative to a domestic money supply rule; and the latter has proved impossibly difficult in the UK institutional climate.

Lombard

Futures contracts for house owners

By Clive Wolman

THE GOVERNMENT'S enthusiasm for a property-owning democracy, backed by a long history of tax breaks and discrimination against the private rented housing sector, has persuaded probably more than half the population to take excessive risks with their savings.

To become owner occupiers most people have had to borrow heavily and pour their loans into a single asset with a volatile price. The inflation rates of the past 15 years have disguised the slumps in real house prices, which fell by 35 per cent between 1973 and 1977 and by 20 per cent between 1980 and 1982. The prospect, even the possibility, of a cut in mortgage interest tax relief could produce a similar slump in the future, as home owners in the Netherlands have recently discovered.

If a financial consultant advised a client to hold more than 100 per cent of his wealth (net of borrowings) in the shares of a property company, he could be sued for his lack of responsibility. Yet successive governments have encouraged families to take on even higher risks. At least property companies hold a diversified portfolio of real estate.

To eliminate the most serious risks, however, it is not necessary to turn back the home-ownership trend of the last 70 years.

Families are most seriously affected by house price fluctuations when their financial commitment to the housing market changes. Consider the following examples:

● A couple liviog in a £50,000 house in the West Midlands decided in 1981 that on their retirement four years hence they would move to the south coast, buy a bungalow there for £30,000 and spend the remaining money on an annuity. But over the next four years, house prices in the West Midlands rose by only 29 per cent, compared with a 53 per cent rise in the south east and a 27 per cent rise in the Retail Price Index.

The result is that the couple cannot afford to buy a bungalow in the south east—or, if they do, their income on retirement will be cut back sharply.

● A newly married couple living in a small £20,000 terraced house in London decided in 1982 to save money for the next three years to buy a £60,000 semi-detached house that would be large enough for a family. But over the next three years the RPI rose by 15 per cent whereas London house prices rose by 45 per cent. The price of their semi-detached house bas soared beyond their reach and they have to settle for something much smaller.

● A family living in a £70,000 house in London in London in 1982 decided to take up a posting in the US for three years. They sold their house and invested the proceeds in index-linked gilts expecting house priecs to rise approximately in line with inflation. But when they return in 1985, the cost of buying a house of a similar standard has risen to £102,000 while their investmeots are worth only £85,000.

What these families should have been offered was protection against a dramatic rise or fall in house prices which would upset their plans. The best financial mechanism for giving sueh a guarantee is a series of futures contracts linked to a national house price index and regional sub-indices. Prboably the indices prepared monthly and quarterly by the Halifax building society are the most accurate.

Such contracts would allow, for example, the unforeseen loss suffered by the retiring West Midlands couple when they moved south to be approximately offset by profits on futures contracts. They would have to "sell" the housing price index to cover the amount by which they were over-invested in West Midlands housing in relation to their longer-term plans.

On the other side of the bargain, the young married couple and the couple going abroad could buy sueb contracts to cover the amount by which they were under-invested in the UK housing market.

A family planning to move from one part of the country to another would buy contracts linked to one regional sub-index (where their current home is) and sell contracts linked to the regional sub-index for their destination.

Property companies and institutions prepared to buy and sell houses from and to clients would also be natural users of the contracts. Estate agents and building societies could act as intermediaries by packaging the futures contracts in a simple form which the owner occupier could understand and use.

Letters to the Editor

Unit labour costs

From Mr D. Roy

Sir,—Samuel Brittan (November 7) finds it difficult to reconcile increases in British unit labour costs in manufacturing of 30-40 per cent relative to its main competitor countries since 1978 with the continued existence of many British companies, let alone the spectacular profits recovery. This is because he has not taken into account two other material factors, the deterioration in the manufacturing trede balance since 1978 and the environment in which companies operate globally.

As the appropriate table in tha Aldington report shows, it is trade with the United Kingdom's main competitors (the five largest Western manufecturing nations—in descending order the United States, Japan, Germany, France and Italy) that accounts for the deficit on manufactures. This *is* in accord with a recent comparison I made of unit labour costs in manufacturing expressed in common currency for 1984 (which put the United States at 90 per cent of the United Kingdom, Japan at 59 per cent, Germany et 84 per cent, France at 70 per cent and Italy at 85 per cent).

The last decade has seen marked gyrations in both nominal and real exchange rates and a shift towards government management of trade in manufactured goods (not just textiles but also steel, vehicles and many electronic goods). In these circumstances it would not be surprising to find that companies were reluctant to respond particularly quickly to perceived changes in relative costs of production, in part due to uncertainty as to their duration, in part apprehension as to the extent of governmental tolerance of decisions to relocate production. The econometric evidence found by model-builders that both the price and volume effects on trade of exchange rate changes have been much weaker in recent years than in the pre-1973 "Golden Age" is consistent with such a hypothesis.

Accordingly, if British costs, or those of any other major manufacturing country, rise out of line with those of its competitors, there will not necessarily be a rush of bankruptcies and a squeeze on profits. Firms not manufacturing there may choose to increase distribution and profit margins and expand their marketing effort. Firms manufacturing there may accept a fall in domestic and overseas market share while protecting margins. Incremental capacity would be located elsewhere. The net effect would be to maintain profit levels at the expense of manufacturing capacity and market share. This is what has happened in the United Kingdom since 1978.

Donald Roy.
Flat 2,
58A Hazlewell Road,
SW15.

Local authority advertising

From Mr T. Robinson

Sir,—The new Local Government Bill which seeks to ban party political publicity by local authorities comes not a moment too soon.

Although the multi-million pound anti-abolition campaign funded by the Greater London Council from ratepayers' money is the most spectacular of the abuses practised in recent years, it should not obscure other examples.

The partisan anti-ratecapping campaigns cost hundreds of thousands of pounds. Leicester City Council, for example, spent over £150,000 on "information", which the district auditor condemned as "tainted by the predominant purpose of persuasion"; Leicester Liberals simply described it as a "Labour Party campaign."

In addition, many councils have launched campaigns against the Transport Bill, against the Government social security proposals, against the Public Order Bill, and some are even declaring themselves "Prevention of Terrorism Act-free zones." Many of these campaigns are co-ordinated on a national—or in the case of nuclear disarmament, and more recently, immigrants and refugees—on a supra-national level.

Many councillors see the "local state" as a means to propagate economic and social policies in direct conflict with central Government, and as a vehicle for advancing their own party political interests. In publicity issued under the militants, Hackney is described as "a radical, socalist borough."

Political corruption can undermine free, democratic society more seriously even than financial corruption, and is a growing disease in local government. Mr Baker's timely Bill goes some way to countering the problem.

Unfortunately, although the Bill lays down legislative guidelines, it provides no easy remedy for the ordinary citizen to invoke when those guidelines are broken. Anyone who has ever complained to e district auditor knows the delay and impotence of that system. But who would go to court and risk crippling costs in the event of losing? Mr Baker should provide from public funds for the costs of individuals going to court to enforce his Bill's provisions, whether they win or lose, subject, of course, to scrutiny to exclude frivolous cases.

Mr Baker'e Bill sets out the law, but it is the public who will have to police and enforce it. Unless the public is given the financial backing to do so, the Bill will be of doubtful effect.

Thom Robinson,
Research Director,
Campaign against Council Corruption,
Second Floor,
35 Westminster Bridge Road, SE1.

Reading the runes

From Mr M. Goldman

Sir,—Not only did the Government fail to anticipate the almost universal adverse reaction to its proposals for the phasing out of Serps (state earnings related pension scheme) it also chose to misinterpret its own research. Gallup condncted two surveys on behalf of the DHSS in February/March 1984, the first on people in occupational schemes, the second on employeee not in such schemes. Referring to the first of these, the summary published by the DHSS states that "given the choice, three people in ten said they would rather look after their own pensions than leave them to their employers, whether or not changing jobs."

Anyone reading that might assume that there were a lot of "don't knows" and possibly not a majority of people in favour of their employer continuing to organise their scheme. Reference to the full tables published by Gallup shows that there was in fact a 2 to 1 majority: 65 per cent said that they would prefer their company to organise their scheme and 30 per cent that they would prefer to look after their own scheme.

No reputable market research company (including Gallup had it written the summary) would highlight the minority figure in this way, ignoring the majority which happened to express a preference contrary to the Government's proposals.

Michael Goldman.
1, Lyndale Close, SE3.

Trading on Sunday

From the Director
Institute for Fiscal Studies

Sir, — Mr A. Francis (November 9) claims that this institute concluded in its work for the Auld committee that the gains from Sunday treding in greater consumer choice would be less than the costs incurred. The report conclnded nothing of the kind. The assessment was that in the long term, after trading patterns had adjusted to a deregulated environment, the effect of extended trading hours would be to reduce costs per unit of sales. The additional labour costs of longer opening are more than offset by the more efficient use of retailing capacity.

J. A. Kay,
180-182 Tottenham Court Road. W1.

Europe sans frontieres

From Mr P. Breuer

Sir, — The aims expressed in the brave words of the communiqué of the Milan summit to "achieve completely and effectively . . . a single market by 1992" is not likely to be achieved at the present rate.

So far the bureaucrats of Brussels have not even been able to achieve the miracle of a single EEC stamp which would enable a businessman or tourist to post a letter or postcard anywhere in the EEC without resort to a stamp vendor after every frontière which he crosses in the course of his travels.

P. Breuer.
35, Chelwood Gardens,
Kew, Richmond, Surrey.

Worthy of a fee

From Mr G. Moser

Sir,—I see (November 9) that some members of my profession will apparently carry out conveyancing and mortgage work for nothing (excluding certain normal disbursements).

What folly is this? If a labourer is worthy of his hire, is not a lawyer worthy of his fee, however modest?

I deplore this attempt to use some secondary remuneration as a subsidy for what should be a proper professional charge, and I hope fellow members of my profession will think likewise.

Guy Moser.
Walnut Tree House, Levens,
Nr Kendal, Cumbria.

FINANCIAL TIMES

Thursday November 14 1985

James Buxton reports on the Italian leader who turns heads again . . . and again

Craxi sets a record for survival

THE TELEVISION presenter's eulogy seemed interminable. Mr Bettino Craxi, he said, was successfully leading Italy's longest surviving government since the Second World War ... he had brought unprecedented stability ... heads of foreign governments couldn't get over their surprise at meeting the same Italian leader twice ...

Another Italian Prime Minister might have basked in the unctuous phrases. But not Mr Craxi, who made clear that he had no time for such fatuities. He sighed, he scratched, he shifted in his seat. He took out his handkerchief and contemplated blowing his nose. He glared at the presenter until he stopped his preamble and allowed the interview to begin.

Mr Craxi is not a man to conceal his feelings. Indeed, his impatience and his lack of inhibition are among the things that make his prime ministership so refreshingly different from those of his predecessors.

It is typical of his Government that it should reach today's landmark of beating all its 43 post-war predecessors for longevity in a state of discord which owes much to the behaviour of Mr Craxi himself.

Yet, fragile and unhappy as Mr Craxi's Government currently looks, there is no denying his achievement in breaking the cycle of short-lived administrations. Until he came to power in August 1983, there had been a new government on average once every 10½ months since the war. Mr Craxi has survived for two years, three months and a handful of days, beating the record set in 1968 by Mr Aldo Moro, the Christian Democrat.

Simply by surviving, Mr Craxi has created an atmosphere of continuity and stability. There was genuine public regret and no little puzzlement when he handed in his Government's resignation last month after the small Republican Party pulled out of the coalition in the wake of the Achille Lauro ship hijack affair.

The view of most Italians was that this was the kind of government which, even if its concrete achievements are fewer than they might have been, has done much for Italy just by keeping going, enabling problems to be considered seriously.

An opinion poll a few days ago showed that 42.9 per cent of those asked considered Mr Craxi's Government better than its predecessors, while only 23.2 per cent reckoned it worse. There was appreciation for his decisiveness, his clear and simple language and for his lack of traditional socialism. But 56.1 per cent said they would not buy a used car from him, and fewer than 35 per cent thought that he had done anything about the country's major economic and social problems.

It is well known that Mr Craxi owes his survival in part to Italian parliamentary arithmetic. With the Communists, the biggest party after the Christian Democrats, in opposition, Mr Craxi's Socialist Party with its 11 per cent of the vote is essential to forming a coalition with a parliamentary majority.

What Mr Craxi had managed to do as Prime Minister until last month was to deny his coalition partners – especially the Christian Democrats and Republicans – any opportunity of bringing him down. Alternately he oeedled and soothed the one or the other, by pushing through a measure favoured by ooe, then doing something dear to the other.

He has never been afraid to raise the stakes, as when he faced down the Communist Party over his Government's cut in the *scala mobile* wage indexation in February 1984 – despite the unease it caused in the Christian Democrat Party – or when, on the eve of last summer's referendum on the same issue, he said he would resign if the Government line did not win. It did, and Mr Craxi's success was all the greater.

But the Achille Lauro affair brought out tensions that had been smouldering for a long time. Mr Giovanni Spadolini, the Minister of Defence and leader of the Republicans, may be over-sensitive but he had genuine grievances over Mr Craxi's handling of the release of Abu Abbas, the Palestinian leader. Even so, Mr Craxi could probably have kept Mr Spadolini in his Government had he chosen to mollify him.

But he took a different course. He let Mr Spadolini resign, then presented to parliament a dignified exposition of the arrogant way the US Government had treated Italy during the affair. He then resigned. Almost immediately, the US Government rushed to apologise. The ground was cut from under Mr Spadolini's feet.

The wave of anti-US feeling in Italy and Mr Craxi's prestige as the man who stood up to President Ronald Reagan made his return to power inevitable. Yet he did not get all he wanted. He had to make some concessions oo paper towards an even-handed Middle East policy and towards collegial government in a written document to bring the Republicans back into the Government, which was then reconstituted as if it had never fallen.

The alternative which he and his Socialist colleagues hinted that they had in mind, was to keep the Republicans out and form a four-party coalition which would have had a narrow majority, leading very probably to elections next year. That option was closed when Mr Ciriaco De Mita, the Christian Democrat leader, refused to go back into government without the Republicans.

Yet no sooner had unity been restored than the Government almost collapsed again, when the reconstituted administration faced its parliamentary vote of confidence.

First Mr Craxi made a speech faithful to the written agreement on which the Government was revived. Two days later he made a much less judicious speech, blatantly favouring the Palestine Liberation Organisation in the Middle East conflict (he said their armed struggle was "legitimate") and thus demonstrating his contempt for his allies. He sent shudders down their spines by winning the applause of the Communists, while most of his coalition partners stayed silent.

Only the knowledge that there is no current alternative to Mr Craxi enabled his Government to limp, wounded but intact, into this week, helped along by a faintly conciliatory third speech by the Prime Minister last Friday.

The Government knows its duty now is to fight to get the 1986 budget through parliament by the end of the year, to avoid the highly inconvenient provisional financing arrangements in the new year that were an annual occurrence until Mr Craxi came to power. But its heart is not in the battle, which is over a set of measures that are unpopular yet also inadequate to the country's economic difficulties.

Mr Craxi has rarely made the economy his top priority. The problem of the state's vast over-spending, causing a budget deficit that is equal to more than 15 per cent of gross domestic product and a national debt that will exceed GDP altogether by the end of the year, has never attracted him.

Though he helped get the inflation rate down to single figures last year, it has been hovering at just under 9 per cent ever since, and, under his government, net borrowing indebtedness has jumped nearly 50 per cent to about $30bn.

With the coalition parties in a state of agitation their attention is concentrated less on making good use of the rest of a parliamentary term that need not end until June 1988, than on what may happen in the early part of next year.

Will Mr Craxi find a reason to resign and insist on early general elections as the only way to achieve "stable government"? He denies it strongly, but there are many who believe that this is his objective, in the hope of advancing the vote of his Socialist Party at the expense of the Republicans and the other small groupings of the centre-left.

Mr De Mita and the Christian Democrats want to ease Mr Craxi out of the driving seat and replace him with one of their own number. But Mr Craxi shows no sign of wanting to go.

Of course, almost anything can happen between now and next spring. But the events of the past few weeks are a reminder that Mr Craxi is a pitiless and determined manoeuvrer who will use every legitimate political device to make himself indispensible to governing Italy. He looks likely to be around for a long time.

THE LEX COLUMN

An empty place at the feast

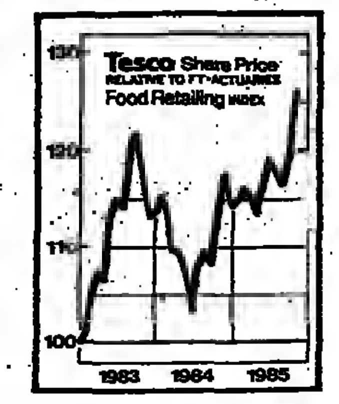
The hope that Commercial Union would gain as much as its composite colleagues from the US insurance recovery was always based on trampoline mathematics: the further you fall, the higher you rise. Yesterday's third-quarter results from CU, coinciding as they did with those of General Accident, may have disproved the theory for good; or, at least, the market was saying as much by leaving CU untouched at 253p and marking everybody else up. GA itself rose 10p to 720p.

On the face of it, CU's pre-tax profits of £8.2m were not far short of the £12.7m from GA in the third quarter – and both had to stump up £10m or so for the visit of Gloria to the US. But there the resemblance stops. There is a real danger that CU will be excluded from the old composite game of riding losses through the trough to enjoy the highly geared recovery; and the result will be at best a smaller business, predominantly devoted to the UK and the life business it once thought little of.

Whereas GA increased its US premium income in dollar terms by some 10 per cent in the third quarter, CU cut its own back by a full quarter – end not simply in the long-tail lines but in the "safer" personal classes. This is all very well as an exercise in closing the book in stormy or litigious states, or as an alternative to raising capital to preserve a 60 per cent solvency ratio. But for all the efforts to cut expenses, CU cannot hope to match the shrinkage in premium income. The expense ratio is lagging at 33 per cent without the help of the US pension fund surplus.

Further, CU will be bedevilled for some time by the run-off of prior-year claims – including any horrors relating to some £200m in liability premiums. Although these relate to the historic volume before CU began to draw in its horns, they occupy a higher proportion of the reduced book and further reserve strengthening will be necessary as CU itself confessed.

If CU is right in thinking that rates could soften next year at the simpler end of the market, the outlook is not encouraging for those fearful of the heavy end. CU will have gone through the brief recovery in the US cycle at half speed. In contrast, GA's problem with the UK motor account with over £18m lost so far this year is scarcely material;



and now that the composites are earning and the market is beginning to think in earnings multiples, CU looks to be rated at an unrealistic premium.

B&C/Exco

It would be odd if yesterday's £108m placing of its Exco stake were to be the final twist in British & Commonwealth's pirouette around Exco. Amicable as relations may be, at the end of a remarkably successful partnership, they must be unstable. Too much so, by most standards, for the two groups to continue for very long in their remaining joint ventures, where B&C maintains large minority stakes in two Exco subsidiaries, Gartmore and London Forfaiting.

Of the two estranged partners, Exco has the more pressing need to reinvest its cash; eventually, the temptation will otherwise prove too great for somebody. Whether the new holder of B&C's 20 per cent is minded to play the long-term investor, or is about to pass the parcel to some corporate demolition expert, Exco will remain on most lists of bid stocks at least until its own acquisition programme gets moving. It might solve more than one problem, therefore, if Exco were to do a tidying-up deal with its ex-shareholder. Forty-nine per cent of Gartmore might do nicely to set Exco's reinvestment ball in motion.

Tesco

The important figure in Tesco's result for the half-year to August is its impressive advance in operating margins, up by a tenth to 2.6 per cent. Still a long way short of the industry leaders at the all-important business of transforming good buying power into adequate net margins, Tesco seems to be catching up fast. Its store development plans will accelerate the pace at which Tesco sheds inefficient town centre micro-stores in favour of superstores on convenient peripheral sites.

That change is already producing a surprising improvement in sales per foot, as the really inefficient capacity drops out, and investment in higher productivity should do more. Better distribution systems and more effective use of space are two key elements in this, though a lot also depends on continual enrichment of the sales mix, at which Tesco has been working hard in the larger stores, where it is possible to handle larger proportions of fresh food.

It would be a pity if the market's evident double-take over Tesco's changed accounting policies were to detract from this good impression. Taking a leaf or two from the Sainsbury book appears to do no harm in the business itself, and when it comes to the capitalisation of interest, there is no reason why any one grocer should stand at a disadvantage. Negative working capital is still a help, but now that there is no stock appreciation to fund store building – as in the inflationary seventies – new stores have to be paid for with real money. So long as capitalised interest is clearly marked on the label, it has its place in grocers' earnings.

Revenue backlash

Time is long past for the UK Treasury to take a grip on the Inland Revenue. Finance bill after finance bill contains provisions for the opening of new markets (remember the first attempt to allow deep-discount bonds?) which the Revenue then frustrates. This quaint constitutional conflict between the Cabinet and a part of the Civil Service threatens, moreover, to stifle useful markets which already exist. Having decided to tax futures hedging profits as income, thus destroying tax symmetry with the underlying equity market, the Revenue can surely be expected – on past form – to prevent the abolition of stamp duty. The stock exchange should perhaps have addressed its recent budget representation to the tax inspectorate.

CBS plunges into loss and details sell-off

By Paul Taylor in New York

CBS, the US broadcasting, records and publishing group, yesterday detailed plans to dispose of its loss-making toy manufacturing computer software and theatrical film operations – including its stake in Tri-Star Pictures – as part of a sweeping asset disposal programme aimed at refocusing the group oo its three core businesses.

At the same time CBS announced a 48 per cent decline in third-quarter earnings from continuing operations – reflecting weakness in several of its markets and particularly in national television advertising – and a $114.1m third-quarter net loss after taking a $143.2m charge related to the discontinued operations.

CBS said third quarter income from continuing operations fell to $29.1m or $1.06 a share from $56m or $1.64 a share in the year-ago period. The final oet loss, equivalent to $4.55 a share, compared with net income of $48.8m or $1.64 a share in the year-ago period. Revenues increased by 3 per cent to $3.41bn from $3.31bn.

The New York-based group, which earlier this year successfully fought off a hostile takeover bid by Turner Broadcasting, said the decision to treat the toy, home computer software and theatrical film operations as discontinued businesses represented the first phase of the $300m asset disposal programme announced in July in conjunction with the company's offer to repurchase 21 per cent of its outstanding stock.

Mr Thomas Wyman, chairman and chief executive, said: "In formulating our asset disposal programme we decided to move first, and quite decisively, in addressing businesses in which our own performance has been disappointing."

For the first nine months, the group posted net earnings from continuing operations of $147.2m or $5.12 a share compared with $187.9m or $6.32 a share in the year-ago period. In the latest period a $175.3m loss from discontinued operations resulted in a final net loss of $28.1m or $1.06 a share compared with net profits of $178.3m or $5.93 a share in the 1984 period when earnings were reduced by a $28.2m loss on discontinued operations.

GE may sell its South African interests to local employees

BY WILLIAM HALL IN NEW YORK

GENERAL ELECTRIC (GE), the US electrical manufacturing company, said yesterday that it was negotiating the sale of its South African operations to local employees, joining the growing list of leading US companies which are considering withdrawing from the country.

The company, which has been operating in South Africa since 1919, said that it was considering offers from four separate groups of employees at its South African plants to buy the company's assets.

It stressed that it did not initiate the offers, and the decision to oegotiate with the employees reflected business considerations and was oot politically motivated.

There are about 300 US companies operating in South Africa with a total investment of about $2.5bn, but over the last year as the violence has escalated, a growing oumber of firms have begun to withdraw. Business Week magazine recently reported that within the last year 18 US companies have either halted all or part of their South African operations – three times the number of a year ago.

If GE goes ahead and sells its South African operations to its employees it will join a growing band of famous US companies, including Coca-Cola, International Harvester, Phibro-Salomon, Ford Motor and Pan American Airways, which have either announced their withdrawal from South Africa or the scaling down of their South African ownership within the last year.

South African General Electric, which is wholly owned by its US parent, produces a wide range of products ranging from commercial and industrial lighting components to locomotive oil filters, light industrial switchgear and control equipment. The company also distributes several GE product lines such as locomotive replacement parts, lamps and medical equipment.

It has two major operations in South Africa; both of which are located close to Johannesburg – Allen West and Simplex, and Reid and Mitchell. GE says it has been reducing its South African operations since 1981 and over the last ten years it has cut its local workforce from over 2,000 to under 700, more than half of whom are either black or coloured.

Mr Jack Batty, a GE spokesman, said that the company's earnings and sales in South Africa have been falling for three years and last year it lost money. This was the primary reason his company was considering selling its South African operations.

He stressed that his company deplored apartheid and all its implications and that GE had long maintained full integration among its workforce.

Jordan and Syria agree peace moves

By Tony Walker in Amman

JORDAN and Syria appear to have reached agreement on many of the issues dividing them. A communiqué issued at the end of two days of talks in Damascus between the two countries' prime ministers indicated significant progress towards reconciliation.

Prime ministers Zaid al Rifai of Jordan and Abdul Raouf al Qasm of Syria said they had agreed on "joint Arab action" in various fields in order to achieve a just and lasting peace in the Middle East.

They shunned any "partial and individual solutions with Israel" – wording that effectively rules out direct Jordanian negotiations with the Israelis as the US has been demanding.

The two sides agreed that a "just and lasting peace cannot be achieved except through an international conference sponsored by the United Nations and attended by all the parties concerned, and with the participation of the US and Soviet Union."

Mr Rifai, who went to Damascus on Tuesday for his third meeting with his Syrian counterpart (the other two were in Saudi Arabia), carried with him a message from King Hussein inviting President Hafez al Assad to Amman.

On the eve of Mr Rifai's visit to Damascus, the King made public a letter to his Prime Minister in which he admitted having unwittingly misled Syria over the activities of anti-Syrian subversives resident in Jordan.

Jordan had previously repudiated Syrian accusations about links between these elements and Moslem fundamentalists in Syria itself, hundreds of whom were killed in a bloody conflict in 1980.

LME may postpone tin trading

Continued from Page 1

already described as too tough to meet.

The £900m on offer covers the worst possibility – of the value of tha ITC's tin stockpile falling to nothing. In practice, the amount needed is expected to be nearer £600m.

That would cover the renewal of the £352m of loans granted by the tin council's 16 creditor banks, plus enough new money to cover its debts to LME brokers and a bridging loan until a new medium-term facility is in place.

The funds would be raised in the form of a syndicated facility to be drawn down until January 23, when the last of the tin council's commitments to buy tin on the market expire.

It is understood thet the cash would come not only from the 16 creditor banks, but also from the banks that have financed the tin trade and from LME traders themselves, who would put up some 10 per cent of the total. The Bank of England has helped to put the rescue measures together by hosting meetings and giving advice.

Delegates have yet to agree on tha future of the council – no decision on winding it down has been taken. They might also baulk at other conditions on the loans. The banks are asking for guarantees from governments or from central banks, and say the price of the new finance will be increased to reflect, in Sir Adam's words, "recent events."

In backing their proposals with threats of legal action, the group of 16 said they had taken legal advice and believed they had three strong grounds for suit; the ITC is not a limited liability organisation and must therefore honour its obligations in full; possible misrepresentation by ITC member-governments as to their intention to repay the ITC's loans; anti-trust considerations.

The banks added that "it goes without saying" that they would put the ITC into default if there was no solution to the crisis, and obtain enforcement orders against the sovereign state members. That would be the first step towards calling the states themselves in default. In theory, that might then lead to cross-defaults on all those states' international loans.

The tin council's delegates are unlikely to respond immediately to the banks' package at today's meeting, since they will want to refer to their governments. At a meeting in Brussels yesterday, the UK pressed its fellow EEC members to join it in making pledges to honour the ITC's debts. But the meeting agreed merely to ask for further talks with banks and the LME.

In a letter to Dr David Owen, the SPD leader, Prime Minister Margaret Thatcher said the Government was making every effort to find a solution to the tin market's problems. It would continue to press other countries to make pledges to honour debts and to encourage financial institutions to play their part in drawing up plans for the resumption of orderly trading.

Blaupunkt to buy 20% of rival Grundig

Continued from Page 1

worth about DM 260m ($99.4m) a year with Grundig and receive business worth DM 80m to DM 100m a year in return. Blaupunkt's sales last year were nearly DM 1.8bn while Grundig's were DM 2.8bn in its financial year to last March.

About 1,650 of Blaupunkt's 10,000 employees make televisions at its Hildesheim plant in West Germany.

About 550 will switch to car radio production for Grundig, and most of the rest will be given other work, including telecommunications projects. About 300 jobs will go. Workers who leave will not be replaced.

Blaupunkt has been making a small loss on television production. Grundig claims its car radio operation – which is in Portugal – is profitable. Grundig has already made clear that it intends to restructure operations and cut jobs in Portugal and has taken similar steps in Italy.

Blaupunkt is planning to overhaul its West German distributioo oetwork, reducing the number of its dealers for TV sets, video recorders and hi-fi sets.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	[illegible]	13	55	Dubrovnik	C	17	63	Malaga	S	18	64	Salzburg	C	2	36
Akrotiri	S	22	72	Faro	S	14	57	Malta	–	—	—	Seoul	F	5	41
Algiers	F	20	68	Florence	C	14	57	Manila	S	33	91	Singapore	R	28	82
Amsterdam	[illegible]	9	48	Frankfurt	F	3	37	Miami	C	27	81	Stockholm	S	0	32
Athens	S	21	70	Funchal	F	17	63	Milan	C	9	48	Strasbourg	S	2	36
Bahrain	S	30	86	Geneva	Sn	1	34	Moscow	Sn	1	34	Sydney	[illegible]	23	73
Bangkok	[illegible]	31	88	Gibraltar	S	17	63	Munich	Sn	-1	30	Taipei	C	21	70
Barcelona	S	12	54	Guernsey	S	7	45	Nairobi	–	—	—	Tangier	F	17	63
Beirut	S	23	73	Helsinki	C	2	36	Naples	C	20	68	Tehran	–	—	—
Belgrade	S	16	61	H. Kong	C	25	77	New Delhi	S	27	81	Tel Aviv	S	24	75
Berlin	C	4	39	Innsbruck	Sn	0	32	New York	C	11	52	Tenerife	–	—	—
Biarritz	F	8	46	Inverness	C	3	37	Nice	S	11	52	Tokyo	C	18	64
Blackpool	F	3	37	Istanbul	S	12	54	Oporto	[illegible]	12	54	Toronto	Fg	4	39
Bordeaux	[illegible]	7	45	Jersey	F	9	48	Oslo	S	4	39	Tunis	S	24	75
Brussels	F	5	41	Jo'burg	S	28	82	Paris	[illegible]	6	43	Valencia	S	15	59
Budapest	R	3	37	Las Palmas	S	23	73	Prague	Sn	0	32	Venice	C	10	50
B. Aires	R	23	73	Lima	F	21	70	Reykjavik	C	2	36	Vienna	Sl	0	32
Cairo	C	22	72	Lisbon	S	13	55	Rio de J'o	C	35	95	Warsaw	C	3	37
Cape Town	–	—	—	Locarno	[illegible]	6	43	Rome	C	19	66	Zurich	Sn	0	32
Caracas	C	27	81	London	S	5	41								
Casablanca	F	20	68	Los Angeles	F	14	57								
Copenhagen	[illegible]	6	43	Luxembourg	Sn	-1	30								
Corfu	C	20	68	Madrid	S	10	50								
Dublin	C	7	45	Majorca	S	15	59								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Paris set to match US

Continued from Page 1

the scapegoats a little too readily," said one official. The Trade Ministry also says mixed credits are worked out on a year by year basis with individual countries and are not used selectively to try to win specific export deals.

Officials say the US move has been sparked off by desire to show Congress that the Administration is taking steps to deal with the record US trade deficit, despite the minimal role of mixed credits in financing world trade.

Declaring that the "real problem" was the value of the dollar, one official said that the $4bn in mixed credits estimated to have been made throughout the OECD last year was hardly significant compared with the size of the US trade deficit.

Another official said that the US measures, which follow similar actioo about 18 months ago to provide extra finance to win a machine tools contract for the US from Indonesia, had been well signalled in advance. "We have known for some weeks that our friends at the Exim-bank had been preparing us a certain number of unpleasant surprises," he said. France's response would be made at the level of individual contract negotiations, he said.

JOBS COLUMN

What happened to universities' graduates

BY MICHAEL DIXON

HOW CAN the effectiveness of universities be measured objectively? The question is highly topical among people concerned with United Kingdom higher educational policy.

The answer preferred by most dons and others employed in universities is probably just: "It can't be." The bulk of them take the view that the job of institutions of higher learning is too complex and subtle to be gauged with anything like adequate precision.

But the Government disagrees. Its recent official discussion paper on higher education called for the development of a range of "performance indicators" as a basis for judging how effective the various institutions are at different aspects of their job.

The table over there to the right represents the latest stage in the development of one such indicator. It ranks 44 UK university institutions in terms of what happened to studeots who graduated from them with bachelor-level degrees in the summer of 1984.

I owe the data from which the table is compiled to research done by Professor Jim Taylor of Lancaster University with the aid of a grant from the Nuffield Foundation.

I must make clear, however, that Professor Taylor's view is that the table is definitely not a suitable basis for forming judgments of the universities' performances. The raw data on which he has had to rely in carrying out his study is subject to too many discrepancies

But the Jobs Column shares the Government's view that the development of performance indicators is important. And since the data underpinning the table is all that is available, there seems no harm in using it provided the fact that it is deficient is understood.

The left-hand three columns of figures in the table refer to the graduates from each institution who are known to have found a "permanent"—as distinct from short-term—job within six to eight months of obtaining their degree.

What most determines the attractiveness of a particular university's crop of new graduates to employers is the mix of subjects the institution teaches. If it produces a large number of engineers and relatively few arts graduates, for instance, it will inevitably score better in job-getting than an institution where the balance of subjects is the other way round.

The first of the three left-hand columns of figures therefore seeks to eliminate the effect of differences in subject-mix. The adjustment is made by calculating the overall UK average job-getting rates in 1984 of new men and women graduates in 78 different groups of subjects. Each university is then given a "target" representing the percentage of its particular mix of graduates that would have obtained "permanent" jobs if they had conformed to the appropriate national averages.

Having set out the job-getting targets in the first column of figures, the table then shows each institution's actual employment-market performance. The third column shows by how many percentage points the actual performance was better or worse than the target.

Next, the table indicates the institutions' performances by a second criterion — the proportions of their new graduates in 1984 who succeeded in getting, not jobs, but places in further full-time education or training. Again we have the target, the actual and the difference between them.

The far right-hand column shows the net actual achievement of each institution against its targets for both job-getting and attaining places in continued education or training. While the net achievement determines the ranking however, it is at best a very sketchy measure of anything.

For one thing, in most casea the institutions which were above target on one criterion were below on the other. Only five were at least up to expectations on both, and only eight below par on both. Moreover job-getting performance in particular looks to be influenced by special factors. Universities in areas of high unemployment such as Queens Belfast did badly, for example. Those with high proportions of students on sandwich courses, like Brunel, did well.

But from the viewpoint of young people considering which UK university to apply to, the reasons for the differences between the institutions may seem less important than the evidence that such differences exist.

	New graduates gaining employment: "Target" entry %	Actual entry %	Better (+) or worse (−) than target	Continuing education/training "Target" entry %	Actual entry %	Better (+) or worse (−) than target	Overall better (+) or worse (−) than targets
Cambridge	55.1	55.2	+ 0.1	31.9	37.8	+ 5.9	+6.0
Durham	50.8	57.9	+ 7.1	32.8	31.7	− 1.1	+6.0
St Andrews	45.0	41.1	− 3.9	39.5	48.9	+ 9.4	+5.5
York	53.1	58.2	+ 5.1	30.5	30.5	same	+5.1
Oxford	50.6	52.0	+ 1.4	34.3	37.3	+ 3.0	+4.4
Newcastle	61.0	66.2	+ 5.2	25.2	24.3	− 0.9	+4.3
Southampton	60.8	68.8	+ 8.0	27.1	23.1	− 4.0	+4.0
Lancaster	54.7	59.6	+ 4.9	29.3	28.3	− 1.0	+3.9
Heriot-Watt	72.0	74.2	+ 2.2	18.6	20.1	+ 1.5	+3.7
Brunel	67.8	79.6	+11.8	21.5	13.0	− 8.5	+3.3
Reading	57.6	64.7	+ 7.1	26.9	22.9	− 4.0	+3.1
Birmingham	61.5	63.8	+ 2.3	26.5	27.1	+ 0.6	+2.9
Dundee	60.6	53.8	− 6.8	28.4	37.9	+ 9.5	+2.7
City	74.9	86.5	+11.6	15.9	6.9	− 9.0	+2.6
Exeter	55.0	62.3	+ 7.3	30.9	26.0	− 4.9	+2.4
Glasgow	59.8	55.2	− 4.6	27.7	34.6	+ 6.9	+2.3
Bath	68.7	75.9	+ 7.2	20.3	15.2	− 5.1	+2.1
Bristol	57.9	61.3	+ 3.4	28.9	27.2	− 1.7	+1.7
Nottingham	60.1	61.5	+ 1.4	26.9	26.7	− 0.3	+1.3
Salford	67.6	72.8	+ 5.2	20.0	15.9	− 4.1	+1.1
Loughborough	70.7	75.3	+ 4.6	17.1	13.0	− 4.1	+0.5
Edinburgh	58.4	54.2	− 4.2	28.5	33.1	+ 4.6	+0.4
Keele	57.6	49.0	− 8.6	25.3	34.0	+ 8.7	+0.1
Kent	53.2	53.1	− 0.1	31.7	31.5	− 0.2	−0.3
Leicester	52.4	53.8	+ 1.4	33.0	31.3	− 1.7	−0.3
Aberdeen	53.5	52.7	− 0.8	32.2	32.5	+ 0.3	−0.5
Aston	73.6	77.3	+ 3.7	16.0	11.6	− 4.4	−0.7
Warwick	59.3	62.5	+ 3.3	27.0	23.0	− 4.0	−0.8
Strathclyde	67.5	68.2	+ 0.7	21.7	19.7	− 2.0	−1.3
Wales	57.8	52.0	− 5.8	28.0	32.5	+ 4.5	−1.3
Liverpool	60.9	60.3	− 0.6	26.6	25.8	− 0.8	−1.4
Sheffield	58.7	58.5	− 0.2	28.0	26.7	− 1.3	−1.5
Surrey	66.0	72.9	+ 6.9	23.3	14.7	− 8.6	−1.7
Leeds	59.3	57.9	− 1.4	26.8	26.3	− 0.5	−1.9
Bradford	69.4	72.9	+ 3.5	18.6	12.8	− 5.8	−2.3
UMIST*	71.3	72.7	+ 1.4	18.2	14.4	− 3.8	−2.4
Queens Belfast	64.0	47.7	−16.3	24.0	37.3	+13.3	−3.8
London	61.8	60.3	− 1.5	26.1	24.2	− 1.9	−3.4
Stirling	59.1	60.1	+ 1.0	25.1	20.6	− 4.5	−3.5
Sussex	52.9	49.4	− 3.5	30.7	30.7	same	−3.5
East Anglia	51.2	48.0	− 3.2	31.1	30.6	− 0.5	−3.7
Manchester	62.1	60.6	− 1.5	25.6	23.4	− 2.2	−3.7
Hull	52.1	48.8	− 3.3	32.4	29.6	− 2.8	−6.1
Essex	58.5	49.4	− 9.1	27.2	29.3	+ 2.1	−7.0

* University of Manchester Institute of Science and Technology.

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Your knowledge of business systems and operations will ideally be supported by practical experience of micro computer applications. You must have a methodical and analytical mind combined with highly developed interpersonal skills, as much of your work will involve liaison at all levels within the Group.

Rewards reflect the importance of this key position, including an excellent salary, and a first class range of benefits.

Write now with full C.V., to:

Angela Wilson,
F.W. Woolworth plc.,
242-246 Marylebone Road,
London NW1 6JL.

Futures by WOOLWORTH

CITY

A vacancy has arisen for a trainee broker. The successful applicant will be aged 23+ and of a smart appearance. No previous experience necessary as full training will be given. For a confidential interview ring Sun Stephens on 01-283 4515.

MAJOR INT'L BANKING GROUP

FAST CAREER TRACK

£25-50,000 Neg.

Our client is recruiting aggressive young bankers, with proven management skills, for their UK and European operations bases.

The positions in question offer broader responsibilities than the norm including product management/development, systems management/development and product/technical marketing.

These are "across function" roles which require sound experience of operations/systems management coupled with the ability to discern and work with rapidly changing trends in international banking, the products and European/world markets.

Candidates will be drawn from a general operations background: particularly transaction based products, systems/technology banking and will be above average achievers both educationally and in the work place. EEC nationals, preferably with some language ability, prepared to base themselves (now or in the future) at one of the bank's European branches should apply in confidence to:

ROBERT MILNE
CRAWFORD RECRUITMENT
Walmar House, 288 Regent Street, London W1R 5HE
Telephone: 01-631 5045

ECU TRADER £ neg

An expanding international bank is seeking an experienced FX Dealer, trading ECUs or $/DM, interested in joining them as Senior Trader.

INTEREST RATE OPTIONS £ neg

An international bank is interested to speak to currency, money market or commodity traders who have current experience in interest rate options for a specialist position being planned.

FINANCIAL FUTURES DEALER £ neg

This position in a bank requires a high level of trading and technical ability, and will be based in the dealing room.

EURONOTE DEALER

A dealer currently dealing in this instrument or a Dollar Deposit Dealer with experience in Dollar CDs or familiar with similar liability funding instruments is being actively sought by a leading international bank.

FOREIGN EXCHANGE & SECURITIES TRADERS

International trading experience is essential to join the expanding foreign trading desk of a leading securities house/stockbroker with strong links with New York and the Far East.

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

Jonathan Wren

Asset — Corporate Finance — Neg £40-£60,000 Package

We seek a Graduate or ACA Banker, aged 30-35, with proven experience of the sourcing, negotiation and execution of Asset Finance and Buy-outs, ideally with both domestic and European involvement. Candidates should possess strong innovative financial and inter-personal skills.

Junior Corporate Finance

"Financial Engineers" — ACA — Neg £15-£18,000

We seek a Graduate, recently qualified ACA, aged 26-28 years, to fill this vacancy with a leading UK Merchant Bank. Strong interest in finance and the ability and flexibility to surface from a 'sea' of propositions is essential, as an unusual high degree of autonomy will be given.

Leasing Administrator — Neg £25-£30,000 Package

This International Leasing Company seeks a candidate aged 30-35 years, with substantial experience covering computer systems (evaluating and implementing), accounting, rentals, evaluations, credit and documentation. Transactions will be in the £25k-£150k range. Once the administration systems have been implemented, total responsibility for the leasing portfolio will be given.

Leasing Marketing Manager — c.£30,000 Plus full banking benefits

On behalf of a leading UK Merchant Bank we seek a first class Leasing Specialist, aged 28-35 years, whose commitment to the UK Market is based upon a proven track record of negotiating middle/big ticket and sales aid leasing transactions, and whose success will be guaranteed by an ability to identify changing market opportunities, to provide the necessary financial product creativity and to combine strong marketing/technical skills with proven team leadership.

For the above vacancies please contact Brian Gooch or Jill Backhouse

Investment Marketing Executive — c.£40,000

We have been retained by a leading International Securities House to introduce suitable applicants with a good knowledge of Japanese Equities. Candidates should demonstrate a high level of marketing skills and qualities, and be able to generate substantial new business for a recently established Fund Management subsidiary.

Contact Roger Steare or Bryan Sales

All applications will be treated in strict confidence.

SYDNEY — Jonathan Wren — HONG KONG

Recruitment Consultants

170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

Opportunity to take over the total E.D.P. operation in 6-12 months and to become V.P. Administration in 4-5 years.

CJA LONDON

E.D.P. MANAGER — BANKING

£35,000-£55,000

MAJOR INTERNATIONAL BANK ASSETS CIRCA £4 BILLION

This vacancy calls for candidates, aged 35-45, who have acquired not less than 6 years practical banking experience in E.D.P. and at least 2 years as a Manager of E.D.P. or systems development and experience of IBM 4381 or 3083 series, M.V.S. operational system and departmental control of at least 40 employees. Responsibilities will cover, through a staff of 70+, the efficient running and further improvement of the information and communication systems, involving systems development, E.D.P. production, communications and office systems. The qualities of technical excellence and the necessary leadership to contribute measurably to the Bank's progress in this area are vital. Initial salary negotiable, £35,000-£55,000 + car, contributory pension, free life assurance, free family medical cover, subsidised housing loan. Applications in strict confidence under reference EDP4391/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 OR 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

PERSONAL FINANCIAL PLANNING

A leading UK institution with a unique investment idea wish to appoint three people between 30 and 45 for its marketing operations. Possible earnings in excess of £30,000 (commission) per annum.

Tel: Ian Kirkwood
Sun Life Unit Services
on 01-242 2222

AT A CAREER CROSSROADS ?

We require executives preferably in their 40s with a background in industry, commerce or the professions, to be trained to offer a wide range of financial services to businesses, professional intermediaries and individuals. Income is not limited and benefits are provided.

Write to:
R. Armstrong or M. J. Talbot
HILL SAMUEL INVESTMENT SERVICES LTD
50 Pall Mall, London SW1Y 5JQ
or telephone 01-839 1012

Marketing Manager

Investment & Personal Financial Services

Our client, an expanding City based banking organisation, wishes to appoint a Marketing Manager to provide the impetus for the development and co-ordination of the Marketing strategy of its Investment and Personal Financial Services Division.

You will have a successful and proven track record in the financial services sector, and be able to make a significant contribution to the development and profitability of the Division.

It is unlikely that applicants with less than 10 years Marketing experience will have sufficient seniority for this appointment.

Salary will be negotiable and benefits will include a company car, low cost mortgage benefit, pension scheme, private medical cover.

Please write in strict confidence to

Kenneth Causton Associates

(Ref. MM/14), Wakefield House, 152 Fleet Street, London EC4A 2DH.

Corporate Treasury Relationship Manager

The investment banking subsidiary of a significant European bank with a well established London presence, is involved in providing a wide range of sophisticated financial services. They are currently expanding the London based treasury group, a major component of the bank, which places considerable emphasis on the newer markets and instruments.

Based in the dealing room, this newly created position will enhance the sale of corporate treasury services by acting as the principal interface between the treasury department and the bank's clients. In close co-operation with the bank's marketing teams, you will develop relationships with companies, providing innovative solutions to treasury related problems. Advising customers on market trends and the development of new products are vital elements.

In your late 20's or early 30's, you must have an in-depth knowledge of all treasury products including swaps, futures, options and FRA's. You may currently be working in a comparable role within a financial institution or possibly in the treasury department of a large corporation. Strong interpersonal skills, technical knowledge and an innovative approach are prerequisites.

The remuneration package is attractive and will be commensurate with the importance of this post. If you are interested in this exciting opportunity, please contact Christopher Smith or Jonathan Williams on 01-404 5751 or write to them at 39/41 Parker Street, London WC2B 5LH, quoting ref: 3577.

MP
Michael Page City
International Recruitment Consultants—London Brussels New York Sydney
A member of the Addison Page PLC group

British Merchant Bank

Sterling Money Market Dealer

This is an unusual opportunity for career growth at the hub of a successful British merchant bank which is well placed to take advantage of the forthcoming changes in the City. It has exciting *plans for expansion and as deputy to the treasurer* your impact and responsibility will be significant.

A key member of this small department, you will deal in the full range of sterling related money market instruments and contribute to management of risk exposure, both dealing in and advising on futures, FRAs and options. You will also be involved in tender panels and syndicated loans.

Ideally 25-30, you have at least 3 years' *trading* experience and a thorough knowledge of the sterling market, with some Eurodollar and FOREX exposure. You are bright, independent and *flexible* with the *communicative skills to* represent the treasury at both internal and external meetings.

You will enjoy a competitive salary and benefits package. To apply please ring or write, in complete confidence, to Helena Watson of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

MESSEL

Economist

City

L. Messel & Co., one of the leading UK stockbrokers, seeks to recruit an economist to join its small but well regarded economics team.

The ideal candidate will have a first or second class degree (probably but not necessarily in Economics), a few years' experience in a business environment and some statistical background. An ability to write lucid and attractive prose is also essential.

Responsibilities will include close and regular monitoring of economic developments in the UK. Every opportunity will be given to the successful candidate to research and present new ideas, both in publications and in contacts with clients.

A fully competitive salary will be offered.

In April 1986, L. Messel & Co. is to be acquired by Shearson Lehman/American Express, one of the largest financial organisations in the world. Career prospects are excellent.

Applications, accompanied by C.V., should be sent to:
Tim Congdon,
L. Messel & Co.,
1 Finsbury Avenue,
London EC2M 2QE

Eurofi

CORPORATE AND FINANCIAL STRATEGISTS AND NEGOTIATORS

EUROFI (UK) LIMITED specialises in advising industry and commerce in the negotiation of all forms of financial incentive available from the Commission of the European Community and the Governments of Member States to encourage the development of new technology and investment in new manufacturing facilities.

EUROFI (UK) LIMITED also advises international corporations on presenting complex industrial cases to European governments and to institutions of the European Communities to mitigate or improve the impact of new legislative proposals. The company also publishes a range of reference books on the European Community and commercial subjects.

THE PROJECT FINANCE DIVISION REQUIRES HIGH CALIBRE EXECUTIVES WITH EXPERIENCE OF PUBLIC SECTOR FINANCIAL INCENTIVES

Successful candidates will have a track record of advising Main Board Directors and Chairmen of large businesses and ideally will have held senior positions in both private industry and public sector organisations. Candidates must be able to demonstrate a high level of commercial acumen, financial and communicating skills and a thorough understanding of one or more sectors of technology.

The nature of this work requires high mobility within European Community Member States although it is likely that candidates will be domiciled in the UK. Successful candidates will operate from one of the following UK offices:

BEDFORD — BIRMINGHAM — CARDIFF — EDINBURGH — LEEDS — NEWBURY

It is unlikely that candidates under 30 years of age and currently earning less than £25,000 per annum will have the necessary experience.

Candidates are invited to write in the first instance enclosing a CV to the Deputy Chairman and Chief Executive, EUROFI (UK) LIMITED, Newbury, Berkshire.

Tel: 0635 31900. Telex: 849791.

FICS in '86

STOCK EXCHANGE SETTLEMENT STAFF

FICS in '86

The financial clearing and settlement services company which has been created by leading London Stockbroker Hoare Govett and Security Pacific National Bank has vacancies for experienced staff.

Individuals with current and proven experience in either Jobbing or Broking who feel that their *expertise in securities settlement would benefit this exciting venture should contact us* without delay.

We are particularly interested to hear from individuals with experience in the following areas:

- ***SECURITIES MASTER FILE***
- ***TALISMAN SETTLEMENT***
- ***INTERNATIONAL SETTLEMENT***
- ***TESTING AND IMPLEMENTATION OF SECURITIES SETTLEMENT SYSTEMS (WITH AN ABILITY TO TRAIN OTHERS IN THE USE OF THESE SYSTEMS)***

Excellent salary packages with good prospects are available for the successful applicants.

Suitably qualified candidates should apply with a detailed C.V. to:—

Alan Clements, Financial Clearing & Services Ltd.,
Napier House, 24/28 High Holborn, London WC1V 7PP. Telephone: 01-831 2544

HOARE GOVETT

JAMES CAPEL & CO. MONEY BROKING

As a result of continuing expansion we require

2 CLERKS

to join the young and enthusiastic team in our Secured Money Broking Department.

Applicants, preferably aged 20 – 30, should have experience of Stock Exchange Settlement in the Gilt-Edged, U.K. Equity and Foreign markets.

Salaries will be competitive and include excellent bonus prospects.

If you think you may be interested please write in confidence, with details of experience, to:-

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James Capel & Co.,
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LONDON, EC2N 1BQ.

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Touche Remnant is a leading international investment group, managing assets exceeding £2,800 million. Over the next few years, we expect our independence, together with our specialisation in investment management, to offer significant attractions to institutions, intermediaries and investors.

Our unit trust activity, which was established in 1983, has recently begun to expand rapidly. The Group already possesses significant investment management resources, the professionalism of which is reflected in the outstanding performance of TR Funds. We are now seeking to supplement our existing team of unit trust specialists, through the recruitment of the following individuals:

Broker Managers, to service stockbrokers and other key investment advisers throughout the UK. Experience in the London marketplace would be particularly relevant for one of these appointments.

Unit Trust Dealer, who would be involved in all aspects of our communications with both intermediaries and investors.

Junior, to assist with general administration initially, with the opportunity to move into any part of our operation in due course.

Candidates who should have the potential to make a positive long term contribution to a growing business should apply in writing, enclosing current CV, to John Gittings, Managing Director, at the address below.

TOUCHE REMNANT
UNIT TRUST MANAGEMENT LIMITED
MERMAID HOUSE, 2 PUDDLE DOCK, LONDON EC4V 3AT

Insurance Systems Professionals

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MANAGEMENT INFORMATION CONSULTANCY

Initial earnings £15–20,000

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Aged under 30

We are looking for young information technology professionals with insurance expertise. We offer you the chance to guide the business planning and related information systems decisions of major insurance organisations. If the prospect of total involvement from strategic information planning to sytems design and installation appeals to you, please read further.

Arthur Andersen & Co. Management Consultants have always specialised in helping clients gain competitive advantage from the use of information technology. We have concentrated on providing a high quality professional service that requires the application of advanced information technology to financial, marketing, operations, personnel and other key functions.

As a result, our list of clients has grown impressively. Today, it spans both public and private sectors and includes leading names in the international insurance world and many of the most influential institutions in the City.

Our work requires a unique combination of business, technical information processing and industry skills coupled with interpersonal and management ability.

BUILDING ON YOUR STRENGTHS

You have a good degree and at least 3 years' experience of developing and implementing insurance computer systems. You may be working in an insurance institution, a software house or as a consultant in the systems field. We want to build on your strengths – and build your long term career with us in the process.

CAREER DEVELOPMENT

Our commitment to your development will be second to none and involves intregrating formal training with practical experience. In fact, during the next five years you will receive over 800 hours of formal training and education, mostly conducted at our international training centres in Chicago and Geneva. There you will meet your counterparts from 120 offices in 40 countries, and participate in a continuous international exchange of ideas and experiences within the framework of a professional organisation which has over 7,000 consultants world-wide.

Have no illusions, this will be an intellectually demanding challenge. From it, though, you will gain a new, wider perspective on professional life. We will equip you to diversify and apply your business and technical skills across a broad cross section of insurance services.

Promotion prospects are excellent and based entirely on merit; career and salary progression are rapid with the genuine prospect of Partnership.

Please write in the strictest confidence to: John Maxted, Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS.

OPEN EVENING

BRISTOL 28TH NOVEMBER

We shall be holding an informal open evening in Bristol on 28th November between 4 pm and 8pm at The Unicorn Hotel, Prince Street, Bristol. If you would like to attend, please telephone John Maxted for an invitation on 01-438 3069.

ARTHUR ANDERSEN & CO
Management Consultants

Mandate Winners

An opportunity...

A leading UK Merchant Bank whose long tradition of innovation keeps it at the forefront of change in the world's financial markets, wishes to further develop its capital market origination team. This is an attractive opportunity for those active in investment banking who are keen to utilise their experience within a growing unit. Probably at Assistant Director level, successful candidates will become principal business generators, involved at all stages of marketing and the execution of transactions.

Aged in their early 30's, candidates must have at least 2 years' experience of winning mandates and concluding deals. A comprehensive understanding of eurobonds, swaps and private placements is essential. Knowledge of the European or American markets, together with relevant language abilities would be a particular advantage.

If you have the required experience and would like to join a growing department of this prestigious international bank, please contact Christopher Smith on 01-404 5751 or write to him, enclosing a comprehensive curriculum vitae, at 39/41 Parker Street, London WC2B 5LH, quoting ref: 3569.

Michael Page City
International Recruitment Consultants – London Brussels New York Sydney
A member of the Addison Page PLC group

Taxation Specialist

ACA... with 2 years' corporate tax experience

£16,000–£18,000 + banking benefits: City

Samuel Montagu is a long established and forward-looking merchant banking group operating worldwide. Our commitment and reputation in the market place for innovative service and product development has put Samuel Montagu in a prominent position in the "City Revolution".

You will join a team of tax specialists responsible for advising on the interpretation of tax laws and accounting implications, both for UK and international operations. This involves independent research and some liaison with external advisers.

Post-qualifying experience will have been exclusively concerned with tax and ideally gained in dealing with large companies including international aspects.

This is an unusual opportunity to develop your tax experience, with excellent scope within the Company.

The remuneration package includes mortgage subsidy, profit-sharing, non-contributory pension scheme and private medical cover.

Please write with full personal and career details to:

Mrs. Carolyn J. Bland, Senior Personnel Officer,
Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY.
Tel: 01-588 6464.

SAMUEL MONTAGU

INVESTMENT SYSTEMS CONSULTANT

Central London

Salary c£18,000 + Car + Benefits

Our client is a market leader in the provision of computer based solutions for Investment Managers, Unit Trusts and Merchant Banks. The ever increasing demand for sophisticated management information systems within the financial markets has ensured that their policy for steady growth has been up-held over the past decade.

A challenging opportunity now exists for a high calibre Accountant to become a senior member of their Consultancy team. Reporting to Senior Management, duties include the control of new projects involving close liaison with clients, in-house technical support and customer consultancy services to ensure that all systems fully meet the user requirements.

Candidates (aged 25-35) will have a sound knowledge of the financial markets, gained either by having spent 2-3 years within a financial institution or through considerable exposure to banking securities within the Profession.

For further information please write, enclosing career details, or telephone Susan Ross

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

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Sound knowledge and experience of relative markets. Ability to communicate effectively in servicing customer needs.

Salaries fully negotiable.

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Mr. P. J. Conroy, A.I.B.,
Union Bank of Switzerland,
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Search Consultant

Banking

c£35,000 + car

We are an established consultancy providing an extremely high level of service to clients seeking senior people in the financial services and information technology industries.

This opportunity has arisen as a result of the dramatic growth in demand amongst our clients in the banking and securities sector for a wide range of highly sought-after and equally highly paid specialists and managers.

You will be responsible for your own client portfolio whilst being closely involved, right from feasibility stage, with new briefs and new clients.

Probably in your 30s, you must be able to prove a successful track record of recruiting at senior level, have an understanding of capital markets products and the ability to identify and build relationships with the people who work with them.

The thorough and energetic application of your recruiting skills, negotiating ability and commercial acumen will not only assure your success in this role but also your rapid progression into management.

The working environment and company spirit are excellent, as is the benefits package which includes private health cover and choice of performance car.

To apply, please write enclosing a detailed CV to David Lloyd.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR.
Telephone: 01-408 1670.

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The Price Waterhouse consultancy practice is concerned not only with the development of practical and cost effective solutions to business and financial problems, but also with their successful implementation. Our consultants work closely with their clients to ensure that their recommendations are achievable. They also work alongside consultant colleagues with specialist expertise in computing, manufacturing, human resources, project management or economic services.

If you like the sound of our approach and are:

- preferably a graduate
- aged 28 – 33
- ACA/ACCA/ACMA qualified
- experienced in energy, financial services or retailing

Then we offer:

- demanding stimulating multi-disciplinary assignments
- exposure to the latest financial and IT techniques
- freedom from routine
- excellent earnings and career progression.

If you would like to explore opportunities further write in confidence, with relevant career and personal details to: David Prosser quoting reference MCS/3981 at **Price Waterhouse Management Consultants Southwark Towers 32 London Bridge Street London SE1 9SY**

Price Waterhouse

Manager – Finance & Administration

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Surrey

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This will be your most exciting and challenging role to date. Pyramid Technology is a dynamic young U.S. based company which boasts an enviable record of growth and success in the UNIX-based supermini computer market. It has built an international reputation for the quality of its products with customers ranging from large multinationals to universities and research establishments. Further development of increasingly sophisticated products by its excellent research team will ensure continued growth in the future.

The new role of Manager, Finance and Administration provides an excellent opportunity to contribute to a highly professional and creative team. Initial responsibility will be for the accounting function of the UK Sales and Marketing subsidiary, although as the company grows, the role will develop and should involve activities outside the UK. Key responsibilities include all aspects of management accounting and provision of financial information for both the UK and US management. Other activities include managing the administrative and support functions.

As a qualified accountant in your early 30's, ideally you will have worked in a marketing led high-tech environment and have experience of implementing computerised systems. However, of more importance will be your commercial awareness, enthusiasm, flexibility and creativeness. Self motivation and drive will enable you to develop your role as the company expands.

Please reply in confidence, giving concise career, salary and personal details to Micheline Wilkin, Executive Selection, quoting Ref. ER815/FT. **Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Controller

High Tech

W. London

c. £28,000 + Car

The company is young, rapidly expanding and highly profitable. Established in the UK in 1984, it has already achieved a phenomenal record of profitable growth. Its US-based parent company was formed in 1980 and is the leading supplier of IBM PC enhancement products, generating sales of over $138m p.a. The company is dynamic and aggressive, whilst its management philosophy combines entrepreneurial drive with tight financial control.

The UK Financial Controller will play a key role in the small UK management team. Reporting to the MD of European operations, with a "heavy dotted line" to the US Financial Controller, you will provide accurate and meaningful financial information to UK and US management. A prime task will be to implement computerised accounting systems and controls, and give creative financial input to management decisions.

Candidates should be qualified accountants in their early 30s. A knowledge of US reporting requirements is essential, whilst European experience would be an advantage. Experience of a fast-moving sales-led company is desirable, but the essential qualities are initiative, drive and the intellect to tackle a wide variety of tasks.

Please reply in confidence, giving concise career, salary and personal details, quoting Ref. ER823 to Peggotty Eva, Executive Selection. **Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young Executive Selection

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Controller

c. £19,000 + car — South West

My client, one of Britain's best known and most successful confectionery manufacturers, is seeking to appoint an experienced finance professional to this key post at their headquarters in the South West.

Reporting to the Managing Director, and as an important member of the management team, you will be expected to make major contributions in all areas of the company's financial activities. This will include control over transactions and assets, the preparation of management information, budgets and business plans and much more besides.

The need is for a fully qualified accountant, in his or her early to mid 30's, with several years' top level financial experience. You should also have a sound knowledge of computerised accounting systems and U.S. accounting procedures, and possess the decisive leadership skills to successfully manage a strong finance team.

As the Group's Data Processing department will also be under your control, a strong interest in this field would also be particularly useful.

An excellent employment package includes a salary c. £19,000, a company car, free BUPA, permanent health and contributory pension scheme and relocation assistance where appropriate.

Please send full CV to Confidential Reply Service, Ref: AHF1272, Austin Knight Advertising Limited, Brunswick House, Upper York Street, Bristol BS2 8QN.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to Mr. S. Halford, Regional Director.

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ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

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INVESTMENT BANKING

CITY £20,000 + Mortgage

2 young ACA's with outstanding management potential.

Our client is recognised as a World leader in the International Banking community and intends to be one of the pre-eminent Investment Banks in Europe. The Bank's commitment to expanding their UK wholesale and investment banking operations, represents a colossal investment in human resources, corporate facilities and advanced computer technology.

Ensuring that effective risk management processes are designed and maintained within an innovative Investment Banking environment demands individuals of exceptional calibre, capable not only of understanding sophisticated financial instruments but also isolating and containing the risks associated with them. A specialist operational audit team is charged with these responsibilities within tha Investment Banking Division. This is staffed at managerial level by young graduate ACA's and computer technology experts. As a direct result of the acquisition and future development of sizeable gilt and equity broking and market making operations, the Bank wishes to recruit two additional team members, capable of dealing initially with the complex technology support and accounting issues in these areas.

PROFILE REQUIREMENT

- Graduate ACA's aged 24 – 29.
- Exceptional communicative skills.
- Plenty of personality and drive – self starters.
- Your present audit experiance may include Stockbrokers, Banks, Holding Companies with Treasury/Cash management divisions, or specialist trading orientated computer audit assignments.

Our ideal target candidates are individuals with a developing interest in International Capital Market instruments including: Eurobond new issues/trading; interest rate/currency swaps; futures; options; government securities; and equity/venture finance.

PROSPECTS

Previous team members hold senior management positions in marketing, trading, and investment management, as well as corporate reporting. Field training, supplemented by simulated trading activity exercises, familiarises staff with tha decision making process, **and opens a wide range of career opportunities in this highly competitive environment.**

These appointments interface with senior management at the highest level, through this programme our client expects to attract candidates of outstanding ability, prepared to develop their skills in investment banking.

Applicants should send a detailed c.v., which will be treatad in tha strictest confidence to John Philip-Smith FCA.

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Bass

Group Financial Planning

Burton-on-Trent — **neg. from £15,000 + car**

Following a recent promotion an exceptional opportunity has arisen to work in the corporate Financial Planning Department of one of Europe's leading leisure groups.

The main task of the job is the preparation of medium-term financial plans and so provides an insight into many of the group's diverse activities. As well as brewing and the licensed trade, these encompass such well-known names as Coral Racing, Crest Hotels and Pontins Holidays.

A commercially aware accountant aged 24-27 is being sought who has sufficient ambition to capitalise on the experience to be gained by exposure to a sophisticated planning system. Opportunities for progression throughout the group are extensive.

In addition to the salary there is a wide range of benefits available, including assistance with relocation costs. The working environment is particularly pleasant and Burton is located centrally for the major Midlands conurbations as well as being close to attractive countryside.

Contact John P Sleigh FCCA on 01-405 3499 or write, with full C.V. quoting ref J/343/GF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Director of Finance and Planning

SALARY £19,600 – £25,000

Haringey Health Authority provides a health service to a population of 200,000 and has an annual budget of approximately £40m. It provides services on three major hospital sites, St Ann's, Prince of Wales's, North Middlesex and in the community at three Health Centres and ten Health Clinics.

In introducing General Management into Haringey Health Authority, a qualified accountant with experience in general management including capital and service planning is required.

Accountable to the General Manager, you will be a member of the Management Advisory Board and will advise the Health Authority on strategic, financial and planning matters.

Emphasis on achieving value for money within the Authority's budget is a key element in this new post.

Appointment will be made for an initial fixed term period of three years, renewable by mutual agreement.

Information discussions will be welcomed by Catherine McLoughlin, District General Manager. Telephone 01-808 1081 ext. 101.

An information package and details of how to apply for the above post can be obtained from the District Personnel Officer, Haringey Health Authority, Mountford House, The Green, Tottenham, London, N.15 4AN. Telephone 01-808 1081 ext. 107.

Closing date: 6 December 1985

Haringey HEALTH AUTHORITY

Recently Qualified Accountant

J. Henry Schroder Wagg & Co. Limited, one of the leading U.K. merchant banks, is looking for a recently qualified accountant to join the Group Accounts Department within its Financial Control Division.

The successful candidate will assist in the preparation of:

- Group consolidated statutory and management accounts and Group budgets
- reports for Board meetings
- annual statutory and periodic management accounts for certain subsidiary companies

and give assistance to the Group Accountant in the development of Group reporting systems and is likely to be:

- a graduate Chartered Accountant
- not less than 24 years of age.

A fully competitive salary is offered together with an attractive range of benefits including a mortgage subsidy and a generous non-contributory pension scheme.

Applications in writing (which will be treated in complete confidence) with full curriculum vitae, should be made to: Mr. John R. Lambert, Head of Staff and Administration, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS.

Schroders

The London Tara Hotel Kensington

FINANCIAL ACCOUNTANT

The successful applicant should be a Part-Qualified ACCA with at least two years' commercial experience.

The position entails preparation of budgets, statutory accounts and pension scheme administration. Working in a busy, pressurised environment, you will be involved with the timely preparation of management accounts information, be able to deputise for the Chief Accountant and assist in the overall management of an accounts department of 30 people —an interest in the application of micro computers would be an advantage.

Salary: c£12,000 p.a. + company benefits.

Please write with full c.v. to:

Mary Richards, Personnel Manager,
The London Tara Hotel,
Scarsdale Place, Wrights Lane,
Kensington, London W8.
Tel: 01-937 7211.

Group Chief Accountant

North West — **c £20,000 plus car**

Our client, a PLC with turnover around £200 million worldwide designs and manufactures specialised engineering and consumer products through some 20 subsidiaries. In addition to the UK, manufacturing facilities are located in USA, West Germany, India and Australia.

Re-organisation of the Group's executive structure has identified the need for a Group Chief Accountant. This appointment reports to the Group Finance Director.

As a key member of the Head Office team you will be responsible for all aspects of Group accounting including preparation of consolidated accounts up to and including publication.

Our ideal candidate will be aged 40+ and preferably a Chartered Accountant. You will have worked for at least two years as a Chief Accountant in a PLC or as number two in a large group.

Alternatively, you may be in your 30's, be employed by an international firm of accountants at manager level and be looking for your first senior appointment in industry.

You will be familiar with all aspects of group statutory and management accounting and reporting systems. Experience of taxation and computerisation would be an added advantage.

The Group offers an attractive employment package including assistance with relocation and the prospects for career advancement are excellent.

Please telephone for an application form or send comprehensive curriculum vitae quoting reference number DP/646 to:

**Roy Longworth,
THE JOHN DALTON PARTNERSHIP LIMITED,
4 Post Office Avenue,
SOUTHPORT PR9 0US.
Tel: Southport (0704) 38776**

(Applications are open to both male and female candidates)

THE JOHN DALTON PARTNERSHIP LIMITED
Management Selection & Recruitment Consultants

Accountancy Appointments

Group Financial Controller

Banking — **up to £45,000 + benefits**

This well known company, owned by a major group, has significant UK businesses with several smaller overseas subsidiaries. Following a recent reorganisation a new role of Group Financial Controller has been created as part of the central management team based in the City.

Working closely with the company's senior executives, the primary responsibility will be to maintain control over all financial, accounting and computer activities during a period of rapid change. This will entail organisation of budgeting, forecasting and reporting, management of all relevant functions, with almost 50 staff, and the enhancement of systems appropriate to the stringent requirements of the company's businesses.

The requirement is for an accountant, aged 35 to 42 with a successful record and senior level experience of banking, gained either in a relevant organisation or whilst with a major accounting practice. Proven management and strong technical skills are also sought, coupled with the commitment and communication skills to make a substantial contribution in this highly visible role.

Remuneration: up to £45,000 plus car and normal banking benefits.

Please reply in confidence, enclosing career details and quoting ref. 1775/L to C. T. Garcia, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Chief accountant

Investment banking
Central London, c £27,000

C&L

This dynamically managed company is undergoing substantial growth in its specialist field of investment banking.

Reporting directly to the Deputy Chief Executive you will have complete responsibility for financial and management accounting together with overall charge of the company's computer systems.

A qualified and mature accountant probably over 35, you must already have gained exposure in an investment banking environment and you will be accustomed to managing a close knit team in a small company.

Résumés including a daytime telephone number to Michael Pring, Executive Selection Division, Ref. S420.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

10 Bouverie Street
London EC4Y 8AX

CHIEF ACCOUNTANT/ COMPANY SECRETARY

ADVERTISING AGENCY — **c.£17,000**

A rapidly expanding West End advertising and marketing agency billing around £8.5 million is looking for a chief accountant/company secretary to join the management team. The position involves controlling and managing a tightly-run accounts department, meeting monthly reporting deadlines, and assisting management in controlling day-to-day financial affairs.

The person we appoint will be very much a self-starter, and will ideally be at the level of at least accountant in a medium to large agency. Experience of the Donovan computer system is essential.

Remuneration will include a company car, and the prospects for career advancement in a fast-growing operation are substantial.

If you think you can match up to a challenging position, write with full CV to:

The Group Financial Director
P.O. BOX 27
LONDON WC2N 4LJ

MALE
EARLY TWENTIES
Seeking position within
TSB Group
Beginning AIB course
Available throughout UK

Write Box A9188, Financial Times 10 Cannon Street, London EC4P 4BY

Creative Technology — Music Industry
Financial Controller

Oxon. — **to £20,000 + car**

As part of a dynamic and internationally renowned leisure and music company, our client is actively engaged in the development of a prestigious and innovative addition to the currently available range of electronic musical instruments. The product launch is planned for early 1986.

The next stage of their planned strategy involves production and marketing of the instrument together with the development of associated products for the long term expansion of the company. They therefore require a controller, not only to assume initial responsibility for establishing effective financial control systems ranging from production costing and control through to group monthly reporting and the provision of statutory reports, but also to provide commercial guidance as an integral part of a small, young, enthusiastic team.

The successful applicant will be a qualified accountant aged 27+ with the personal and professional skills required to work within a tough, demanding, but highly satisfying environment. An awareness of suitable computer applications would be an advantage.

If you are interested in finding out more, then please write, enclosing full career details, to Geoffrey Rutland ACA ATII, Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2 5LH, quoting reference: 287.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Accountants
A challenging opportunity to work in Investment Banking

Citicorp, a pioneer and market leader in the rapidly expanding field of Investment Banking, is seeking two chartered accountants with experience in the Eurosecurities and/or Equities and Sterling Debt Markets.

As a member of a team of financial specialists dedicated to the support of the business, you will take an active part in the reporting and analysis of a wide range of trading activities and in strengthening the lines of communication between management, traders and support staff. Your role will include formulation of accounting policies for new products, enhancement of financial and management accounting systems, business performance review, integration of newly acquired businesses and on-line problem solving assignments.

The successful candidates will be recently qualified chartered accountants currently with either an international firm of chartered accountants or a major financial institution. The ability to work within tight deadlines and to communicate with management at all levels is necessary. Technical knowledge with experience of financial markets, self motivation and a liking for problem solving are essential.

An attractive compensation package with the usual bank benefits will fully reflect your experience and qualifications.

Please write in confidence enclosing a full C.V. to Mrs. Jamie Bloom, Personnel Officer, Citicorp Investment Bank Limited, 335 Strand, London WC2R 1LS.

CITICORP

Young Financial Controller

c.£16K+Car+Benefits
Northern Home Counties

This major Multi-National with interests in the Food Industry is enjoying continued successful expansion. There is now an excellent opening for a young Accountant with a minimum of 3 years' post graduate experience ideally gained in a commercial environment.

Reporting to the M.D. of this subsidiary you will be responsible for providing the monthly financial management input necessary for the continuing profitability of the company. Your ability to demonstrate commercial, management and interpersonal skills will form the basis of, not only your success in this position, but also for the many and varied career moves available within the Group.

Candidates from any of the professional accounting disciplines should forward their comprehensive C.V. as soon as possible to:-

CKL Management Services Limited, 299 Oxford Street, London W1R 1LA.

American Express Europe
International Audit

Brighton, Sussex — **to £16,000+Mortgage**

American Express Travel Related Services is one of the World's largest financial services companies providing an unmatched selection of payment, travel and communications products.

A number of excellent career opportunities exist for young, ambitious accountants within the International Audit department based in Brighton. Joining a progressive and highly professional audit team, these high profile roles will have responsibility for reviewing the performance of operating units in Europe, the Middle East and Africa, examining all aspects of operations (financial and non-financial) with emphasis on systems analysis, management information review and advising on specific accounting problems. Additional areas of involvement will include travel investigations and acquisition reports.

AMERICAN EXPRESS

This key function offers considerable exposure to top level management and a real opportunity to contribute significantly to company performance. Prospects are excellent; career progression within either the Audit function (with opportunities to transfer to the Asia-Pacific region based in Hong Kong) or within line management.

Suitable candidates will be either recently qualified Chartered Accountants seeking their first move out of the profession or young, qualified accountants with previous internal audit experience. Knowledge of audit software interrogation packages would be advantageous. Candidates should be investigative in outlook, self-motivated and possess excellent communication skills.

A first class benefits package includes mortgage subsidy, non-contributory pension, free life cover and relocation expenses.

Please apply to Jeff Grout at Robert Half Personnel.

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
LONDON BIRMINGHAM NEW YORK & 82 OTHER CITIES WORLDWIDE

BTG
British Technology Group

Investment Executive

London — **to £20,000**

The British Technology Group, an organisation combining the resources and skills of NRDC and NEB, provides a major force for promoting innovation and investment in British technology at home and abroad.

Our Investments Division is seeking an Executive with a background of experience relevant to investment appraisal, negotiation and monitoring. Candidates should be either qualified accountants or business graduates with a genuine interest in the promotion of new technology.

The Division is concerned with the appraisal and subsequent performance monitoring of advanced technology investments. High professional standards are essential and candidates must demonstrate an ability to co-operate with colleagues from other disciplines in a wide range of business situations.

Please write or telephone for an application form or send your C.V. to: Personnel Manager, British Technology Group, 101 Newington Causeway, London, SE1 6BU. Tel: 01-403 6666.

Finance Director

City — **c.£20,000 plus car**

For a dynamic company involved in the global distribution of bulk liquids for household name multinationals.

As a member of a small management team, he/she will be responsible for all management and financial accounts, supervise further computerisation, act as administration manager and advise colleagues on policy.

Candidates should be qualified accountants in their thirties with commercial financial experience, possibly in a trading, commodities or international environment. Knowledge of computerised systems is essential, and multi-currency ledger/foreign currency exposure is desirable.

Starting salary c.£20,000, car and non-contributory pension.

Please write in confidence, enclosing detailed CV and quoting reference F5112, to Sidney Simpson at 25 New Street Square, London EC4A 3LN.

Clark Whitehill Consultants
Executive Selection

Chief Financial Officer
ROYAL HORTICULTURAL SOCIETY

London — ***c£25,000 + car***

Since its foundation in 1804, The Royal Horticultural Society has achieved an enviable reputation for the improvement and advancement of horticulture in the widest sense.

The Society's active encouragement of research and development has produced the highest standards of horticultural practice, publicly demonstrated by its garden at Wisley and the world-renowned Chelsea Flower Show.

This important senior management post carries reporting responsibility to the Director General of the Society.

The position will encompass all aspects of financial management accounting and control for both the Society and its wholly-owned trading company. An emphasis will be placed on the continuing development of existing computerisation.

Candidates should be qualified accountants with high professional standards coupled with an ability to communicate effectively at all levels and capable of making a substantial contribution to the Society's long-term plans and overall strategy.

Full CV's should be sent to Stuart Rosen, Executive Recruitment Manager quoting reference SR/40.

Hays Allan
Chartered Accountants
The Financial Advisors with the Personal Touch.

SOUTHAMPTON HOUSE, 317 HIGH HOLBORN, LONDON WC1V 7NL. ALSO AT: CAMBRIDGE, CANTERBURY, EXETER AND READING

FINANCIAL CONTROLLER

Total Remuneration c. £15,000

A leading management consultancy based in London and specialising in all aspects of remuneration and employee benefits, seeks a highly numerate Financial Controller who is experienced in computerised systems.

Aged ideally between 25 and 32 and perhaps newly qualified you will not only be responsible for the financial and management accounting function, but also prepare financial models and projections for client assignments. This position offers an excellent opportunity to develop specialist financial skills, together with career prospects in a fast growing publicly quoted Group.

Reporting to the Managing Director, your remuneration would include a salary, profit sharing bonus and a comprehensive range of benefits to suit personal circumstances and preferences.

Candidates should write to Richard Varcoe (quoting Ref No. 254) enclosing a copy of your curriculum vitae.

cc&p Cockman, Copeman & Partners International Ltd
26-28 Bedford Row, London WC1R 4HF

Accountancy Appointments

New London Headquarters for Warner Communications International Record Business

Warner Elektra Atlantic

WEA International Inc. with a turnover in excess of $500m, operates through 24 affiliates with major markets in Europe, Australasia and the Far East. The International Finance and Administrative headquarters, currently located in California, is moving to the UK creating e number of exciting career opportunities in a sophisticated business environment with high natural pace.

FINANCIAL ANALYSTS £20,000 – £25,000

In this role you will be expected to provide a comphrehensive Financial service to WEA International Senior Management from the financial information provided by the 24 operating affiliates. This will focus particularly on areas such as financial reporting, consolidations, budget preparation, forecasting, interpretation of results and a variety of ad hoc analyses and investigations. At the same time you will be expected to provide support to the Controllers of the operating affiliates.

The requirement is for a qualified accountant in their late 20's or early 30's with good communication skills and offering a high standard of computer literacy. Experience in a US multinational environment is desirable. Ref. 642

GENERAL ACCOUNTING MANAGER c£20,000 – £25,000

You will be responsible for the management of a small highly systems orientated Financial Accounting department producing monthly, quarterly and annual Financial statements and forecasts. You would also be responsible for the preparation of the year and tax package and the final co-ordination of the annual budget.

You should be a qualified Accountant in your late twenties or early thirties whose experience has been gained in a strong EDP systems environment. Your industrial experience should have included a period within a US multinational organisation. Ref 640.

ACCOUNTING SUPERVISOR – ROYALTIES £18,000

We are seeking Supervisors for both the Artist Royalties and Master Use Royalties departments, which are responsible for accurate and timely processing of payments in this vital area of the business.

Experience in a similar role within the record industry would clearly be advantageous. However the essential requirement is for individuals who combine good accounting skills with well developed communication and people management abilities. It is also important that this experience has been gained in a fully automated systems environment. Ref. 641

For all of these posts a working knowledge of Lotus 1, 2, 3 would be useful. Future career prospects within WEA International Inc. are attractive and we would also be interested in talking to Finance people at all levels since we will be recruiting for other posts early in 1986. Our client offers a competitive range of fringe benefits, including relocation assistance if required.

Applicants of either sex should apply in confidence, quoting the appropriate reference number to Michael Johnson on (0962) 53319 (24 hour service) or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire, SO23 7DX.

Johnson Wilson & Partners
Management Recruitment Consultants

Financial Controller

Central London

The British Computer Society is recognised as the major professional organisation in computing and in 1984 was granted a Royal Charter. The Society is continually expanding and improving tha ranga of services it provides to 30,000 members in the United Kingdom and ovarseas.

In this newly created position, the finencial controller will be responsible for developing and implementing effective accounting, control and management information systems. The rola will include the day-to-day management of the accounting function and the further development of the existing computerised system. The successful candidate will assist in tha preparation of budgets and forecasts and assuma complete responsibility to tha Finance Board for all financial and management reporting.

Idaally, epplicants should be qualified accountants, in their mid 30's to mid 40's, with significant financial manegement experience gained in tha private or public sectors. Candidates should have axperience of computerised cost centre accounting and job costing and be abla to establish credibility at ell levels. Future prospects ere not necessarily limited to the finance function.

Remuneration: circa £20,000.

Please reply in confidence to Joanna Corr (ref 7411).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement London EC2A 1SX

NEWLY QUALIFIED ACCOUNTANT

is required by an expanding American bank. Based in London with some European travel the successful candidate will assist the European Regional Audit Manager in planning audits in the UK and overseas, research of new bank products, system appraisal with exposure to sophisticated EDP environments. To work as No. 2 in an initial team of three. A working knowledge of French is desirable. £14-£16,000 + mortgage subsidy.

ASB RECRUITMENT
52/54 Carter Lane,
London, EC2V 5AS
Tel: 01-248 0820
Shelagh Arnell

Ambitious Young Accountant

Aged: 25-30 Remuneration: up to £19,000

Lever Brothers is o progressive business, with leading brands such as the Persils, Comfort, Domestos, Jif, Shield, Lux and many others. As part of Unilever we are able to offer outstanding career opportunities to individuals of the highest calibre.

We now wish to recruit an enterprising young accountant with the potential to progress rapidly to senior positions with broad Commercial responsibilities.

The initial assignment will be as o Management Accountant working with other Functional Management to identify and progress opportunities for advance in our highly competitive industry. You will work alongside highly capable and motivated managers at all levels, and you will need to combine your insight with powerful persuasion to ensure an effective management accounting input to decision making. You will become involved in all aspects of business propositions and will be expected to apply o sharp mind to evolving better methods.

Our specific requirement is for o high calibre graduate, aged 25-30 who has at least 4 years relevant management experience and who can demonstrate o successful track record in a major Company environment. Commercial acumen, energy and well-developed communication skills are essential, as is the necessary ability to influence senior management.

An excellent remuneration package is available, including initial rewards up to £19,000 p.a. and other major Company benefits. Assistance with relocation is available where appropriate. The initial location will be at Port Sunlight on the Wirral, but candidates should be prepared for future mobility.

Please forward your comprehensive career details to John Gilkes at the address below:–

Lever Brothers Limited, Lever House,
3 St James's Road, Kingston upon Thames,
Surrey KT1 2BA. Telephone No: 01-541 8405

Lever Brothers
An Equal Opportunity Employer

Financial Controller

c£25,000 + car

Our client with sales of around £15m is a manufacturer of a wide range of consumabla products sold across a large number of sectors, including manufacturing and services industries. They are seeking to appoint a Financial Controller, a management board position with potential for promotion to the Main Board and reporting to the Managing Director. Responsibilities would include the restructuring and management of a major Accounts Department and tha improvement and extension of the already wide spread computerised management information end control systems.

Candidates, male or femala, are likely to be in their late 30'a and will be qualified management accountants. They must have had managemant experience in an Accounts Departmant of a manufacturer coping with tha volume problems created by distributing small orders to a very large number of outlets across the UK. This is an opportunity to join a young, entrepreneurial team requiring a creative and analytical mind from someona who is not afraid to take tough dacisions.

A comprehensive package will includa a salary of £25,000, car and othar benefits. Relocation expenses will be given where appropriate for a move to tha South Midlands or Northern Home Counties:

Please reply in confidence, giving full details of personal history, quoting reference 1522 to Keith Phillips as Advisor to the Company at:-

John Anderson & Associates
Executive Search & Selection
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

Divisional Finance Director

Engineering Industry

North London/Home Counties

This post reports to the managing director of a £100m turnover business – e division of a large British engineering company – which manufactures and sells precision – engineered products for major UK and overseas customers.

The requirement is for a qualified accountant (probably ACMA) with the proven capacity for development and implementation of management and cost accounting systems et divisional and site levels; prompt and accurate reporting of information; and provision of the analysis and advice required by the managing director for the effective control and development of the division.

Experience will have been gained in a large well-structured engineering organisation – possibly as e divisional finance manager, or as e good No 2 at HQ or divisional level now seeking promotion – and will also include familiarity with computerised systems. Age – probably 33-45. Salary c. £25,000. Car. BUPA. Relocation expenses.

Please write in strict confidence with full personal and career details, quoting ref 848/FT, to:

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

Jackson-Stops & Staff

A JOB IN THE COUNTRY still available

Due to being let down by an appointee for the position, this established firm of Estete Agents and Chartered Surveyors is still wishing to find a potential Financial Director. Responsible for the financing of the business, monitoring the performance and working with the Chairman to implement strategies for future growth. Qualified Accountant preferred, age between 30-50.

Located in the pleasant county of Northamptonshire. Salary £18,000 plus profit related bonus and car. Friendly business where a firm but tactful epproach is necessary.

Replies in writing only please, which will be treated in confidence, to:

T. W. A. JACKSON-STOPS
14, Curzon Street, London W1Y 7FH

National Agents with Regional Knowledge

The Chase Manhattan Trust Corporation Limited Bahamas

Accountant

c. $35,000-tax free

The individual selected will have had at least three years of post qualifying experience preferably within an EDP environment in an offshore Trust or Banking operation.

The position reports to one of the Corporation's senior managers and carries line responsibility for a number of special accounting projects. In addition, the successful candidate will provide assistance in developing and monitoring the Corporations' Annual Profit Plans and undertake various administrative and organisational assignments.

This is an appointment with considerable scope for growth.

Applications, giving full details of age, education and experience should be submitted to: Miss Shirley Caine, The Chase Manhattan Bank N.A., Woolgate House, Coleman Street, London EC2P 2HD.

CHASE

Financial Controller

Southampton c.£21,000 + car & benefits

MIDLAND BANK INSURANCE SERVICES LIMITED is the expanding insurance broking subsidiary of Midland Bank plc.

The Financial Controller will be responsible for all aspects of financial and management accounting and planning using computerised systems. The position demands the ability to maintain strict control over a very large number of transactions and to play a major part in the general development of computer facilities. The package will include attractive banking industry benefits and relocation assistance will be given where necessary.

Preferred applicants will be chartered accountants aged between 28 to 40 with sound experience of developing and controlling computerised accounting systems in an expanding environment and with the ability to contribute to the management of the Company on a broader front. Insurance experience will be an asset.

Please address brief personal and career details to Douglas G Mizon quoting reference F/835/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

ACCOUNTANT

SOPRA UK LTD, a new cocoa-trading subsidiary of a large Swiss coffee and chocolate manufacturer, is starting business on the 1st of January 1986 in the City.

We wish to recruit an accountant (preferably qualified) who will be able to take charge single-handed of the general accounting for all the company's operations including the production of monthly management accounts.

Experience in a similar position would be advantageous and in commodity trading very useful.

Salary is negotiable to £20,000 per annum, according to experience.

Please send a complete curriculum vitae (including day-time telephone number) to:

Mr Simon Blake, SOPRA SA
Kollerstr. 4, 6301 ZUG, Switzerland

Accountancy Appointments

Information Systems Analyst

To £22,500 + Car + Banking Benefits

A large UK based financial services group which is going through a phase of rapid development wishes to appoint a systems specialist to its headquarters team. The Group has a long record as an advanced and successful computer user and this vacancy has arisen as a result of the early promotion of the previous holder.

The role will involve development of a common database and integrated accounting and reporting systems; provision of technical support on a range of important issues and activities and a wide brief to liaise with operating units across the Group.

Applicants should have previous experience of developing and using financial information systems for a large scale computer user. An accounting qualification would be an advantage.

Please reply in confidence, quoting ref. L199, to:

Brian H Mason,
Mason & Nurse Associates,
1 Lancaster Place,
Strand,
London WC2E 7EB.
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Group accounting controller

Essex, to £30,000

C&L

For a highly successful multinational public company in the financial services sector with turnover in excess of £400m.

Reporting to the Group Financial Controller at the group headquarters in London, you will control the group's central accounting unit, providing financial and management accounting services and support for all key UK companies within the group.

Qualified and aged in your mid to late thirties you should have line management experience of a sizeable accounting department. Experienced with computer based systems you should be able to exploit them to maximum advantage in a volume transaction environment. Your background will include working for leading international or multinational companies although not necessarily in the financial services sector.

This is a rare opportunity to join this major multinational organisation at a senior level. Career prospects are excellent.

Résumés including a daytime telephone number to Torrance Smith, Executive Selection Division, Ref. S414.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

10 Bouverie Street
London EC4Y 8AX

FINANCIAL ACCOUNTANT

c £12,000

International cargo airline based at Gatwick Airport requires a competent accountant to be responsible for production of management accounts, budgets and other financial information and for the day-to-day running of a small accountancy department.

Familiarity with computerised systems is essential as is the ability to produce fast, accurate information for directors and for UK-based multi-national holding company.

Preferred age 22-28 years.

Attractive package of salary and benefits.

Applications, including c.v. and current salary, to:

Finance Director
Tradewinds Airways Ltd
Timberham House
Gatwick Airport
Gatwick
West Sussex RH6 0NT

Financial Services

a key development role

c£20,000 + subsidised mortgage etc.

Capitalising on its long established market dominance, our client is extending its range of personal financial services. In addition to new developments already announced there are further projects in the pipeline.

These will require tight financial control, so as a member of a small multi-discipline team working closely with senior management, the emphasis will be on analysis and evaluation of a variety of projects together with the associated development of accounting and management reporting procedures.

Based in the Central London head office, this challenging and demanding role will appeal to high calibre accountants aged late 20s with proven post qualification experience, gained either in the profession or in commerce.

This prestigious group offers a competitive remuneration package and exceptional longer term prospects.

Please write in confidence with detailed c.v. or telephone David Tod BSc FCA on 01-405 3499 quoting ref: D/342/IF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Finance Manager

South West of London

Business Start Up

c. £23,000 + Car

One of the U.S.A.'s largest and most successful companies is establishing another business in the U.K. dealing solely with exports. The new company will capitalise on the organisation's position as worldwide market leader in a growth sector. It will sell and distribute air conditioning equipment internationally. Sales of $20m are projected for the first year of trading.

The Finance Manager will be responsible for the development of appropriate computerised accounting systems and the provision of management information to tight timetables. The person appointed will work closely with senior managers on pricing, credit decisions and the implications of foreign exchange. The group has a record of promotion from within and can offer attractive long term prospects.

Candidates should be qualified accountants in their late 20s. Your accounting experience should include exposure to computerisation and international letters of credit. Knowledge of the capital equipment industry would be an advantage and you should be prepared to undertake limited overseas travel. Your communication skills, determination and commercial understanding will enable you to contribute to the success of this new venture.

Please reply in confidence, giving concise career, personal and salary details, quoting Ref. ER825 to H. F. Male, Executive Selection.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Group Tax Manager

Financial Sector

A major financial institution, enjoying rapid and profitable expansion, requires a group taxation manager to contribute to the further development of the organisation.

As a senior representative of the finance function, the manager will work closely with commercial management in developing and marketing the group's financial services for the corporate and public sectors. The post will also carry responsibility for group tax planning.

Candidates should be experienced tax specialists who are seeking to use their skills in a business development role. Evidence of technical strength, commercial flair and managerial capability will be sought. The appointment is open to men and women. Age 27-35.

Remuneration: substantial package including car scheme, subsidised mortgage and, where appropriate, relocation assistance.

Location: North West.

Please write in confidence to M D Beaumont (ref 405).

KMG Thomson McLintock
Management Consultants
Devonshire House 36 George Street Manchester M1 4HA

EMA

Group Accountant

Northants/Cambs. border
Up to £20,000 + Car

Our client is an exciting, highly successful public company which is growing very rapidly, is highly acquisitive and has doubled its profit in the last two years. The financial function plays an important role in this fast moving and stimulating environment and is now being further developed to ensure that it is ready to support future planned growth.

The successful candidate will be responsible to the Group Financial Controller for the co-ordination of monthly consolidations and statutory accounts and the many financial aspects of running a major group, including acquisition and tax work.

This is a truly exciting opportunity, ideally suited to a chartered accountant, aged around 27/28 who has proven technical abilities, who may currently be within the profession, or has possibly already entered industry, and who has the personal skills to progress within this dynamic group.

The location allows fast and easy access to London while offering the quality of life which attaches to lower housing costs in an attractive area of the country. Assistance with relocation costs will be provided.

Please write enclosing a career/salary history and day-time telephone number to Richard Norman FCA quoting reference 1/2325.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

CNA RE

OPERATIONS ACCOUNTANT

£14,000 + substantial benefits

City

CNA REinsurance of London Limited, a subsidiary of a major US insurance group, is a well-established London Market Reinsurance Company. Their gross premium income in 1984 was £92 million and this is likely to substantially increase by the end of 1985. In 1984, the Company's paid-up share capital was doubled to £20 million, which has led to expansion in a number of areas.

CNA wishes to appoint a newly/recently qualified Accountant to strengthen its existing team. Reporting to the Management Accountant, the successful applicant will be involved in all aspects of the department's work and will be given encouragement to expand present operations in line with the rapid growth of the company.

The person appointed is likely to be a Chartered Accountant seeking a first commercial role. Aged around 25, he/she will also be self-motivated and commercially aware.

CNA offer an excellent benefits package which includes a non-contributory pension scheme, LVs, PPP, mortgage assistance, savings scheme and season ticket loans.

Please apply by telephone or in writing to:—

Virginia Pinckney, Personnel Manager
CNA MANAGEMENT COMPANY LIMITED
Fountain House, 125-135 Fenchurch Street
London EC3M 5DJ
01-626 3321

CNA STRENGTH

HBC

Accountant Oil Production Operations Aberdeen

Hamilton Brothers Oil & Gas Limited, one of the largest and most successful independent North Sea operators, has an enviable reputation for achievement and creative innovation. Their planned and continuing growth has created a vacancy for a high calibre individual to become an integral part of their finance team.

This key role presents a demanding and varied challenge, which includes supervision of their accounts payable section; the preparation of financial reports for local management; the provision of cash call data and undertaking ad hoc assignments.

Candidates aged 29-35 years, should be qualified accountants with previous oil industry experience and must possess the personality and ambition to make a significant contribution to the company's overall development.

An excellent salary and employment package, which will include a car, is offered. Interested applicants should write to Colin Mackay CA at Michael Page Partnership,
150 West George Street,
Glasgow G2 2HG.
Telephone: 041-331 2597.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Finance Director

Cheshire **c. £17,500 + Car**

The Finance Director of a profitable subsidiary of a major British publicly quoted Group, retires in 1986. Accordingly, a suitably qualified Accountant with broad commercial experience, and probably aged 35 years plus, is required.

The initial brief is to optimise financial control and the underlying systems of recording, accounting and management data within a developing computerised environment. Thus, a detailed knowledge of statutory requirements gained in a high profile trading organisation is called for. Additionally, experience should cover computer systems and you must be able to demonstrate successful man management skills plus the personality to deal with internal/external contacts at the highest level.

A broad commercial overview, consistent with the making of a business, is essential to ensure success with the Company and later career development with the Group.

Write in confidence with full CV and daytime telephone number to Patrick Donnelly quoting ref: FT/87.

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Management Accountant

Information Technology
Circa £16,000 + car

Our client, located in the west of the Thames Valley, provides a variety of marketing and related business services to the fast-moving consumer goods sector.

As part of the development of the Head Office administration function, we seek to appoint a management accountant reporting to the Finance Director. This new role will initially focus on the development of systems for the production and analysis of financial and management information. Applicants should therefore be broadly-based qualified accountants, preferably to ACA/ACMA level, with several years' experience of financial and management accounting, ideally in the service sector. After the development phase, opportunities exist for greater involvement in commercial and strategic planning for the Company's services.

The benefits package includes a Company car and assistance with relocation will be provided if necessary.

Confidential Reply Service: Please write with full CV quoting reference 1989/TN on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

CHARLES BARKER
ADVERTISING·SELECTION·SEARCH

Accountancy Appointments

Financial Director

Surface coatings • c. £18,500 + car

Our client, the successful medium sized subsidiary of a well known Public Group, manufactures and markets a wide range of chemical based products for the UK and abroad.

A dynamic financial executive is now required to fill a recently created post heading up a decentralised accounting function within this subsidiary company. Reporting to the MD, the person appointed will need to review and upgrade the existing systems and procedures, computerising where appropriate, improve financial disciplines and advise the Board on strategic financial planning.

Aged 30 to 45, male or female candidates must be qualified accountants, preferably ACA, with at least three years experience in financial management in a process industry. They must be thoroughly versed in the preparation and interpretation of financial and management accounts, together with detailed experience of costing, cash and credit control, systems development and the use of computers. The ideal candidate will have a proven track record of success in financial control and innovation, coupled with good all-round commercial acumen.

There are good prospects for career development within this Group which employs over 1200 people and has a turnover of £40m. The attractive remuneration package includes a company car, a good pension scheme, medical insurance and if necessary, assistance with relocation costs to the Midlands.

Please write or telephone for an application form or send detailed CV quoting reference AA55/9598/FT to D.J.Dewhirst at the address below.

PA

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791

Finance Director
aspiring to Managing Director
S.W. London

When our client's M.D. retires in a few years, he would hope to hand the running of the organisation to the Finance Director—who, by then, will have taken its current £3 million turnover to well over £12 million.

The company now needs that energetic, tough and thoroughly commercially-minded F.D. capable of taking over when the time comes. If this sounds like you, a graduate chartered accountant, 28 - 32 years, read on.

The company, highly successful, fast-growing and profitable, specialises in food and drink product marketing. Its customers include Britain's leading hotels, restaurants and department stores.

This job is no soft option. You will immediately take responsibility for the accounting, secretarial and administration functions and the development of the existing business. You will be stimulated by the negotiations of the mergers and acquisitions on which the company's major expansion strategy is based. You must be decisive and resilient as you will need to acquire loans and other finance to achieve the company's objectives. You will deal with banks and other financial support organisations.

If you feel you have the potential and would like to discuss this opportunity in more detail, please write in the first instance to Geoffrey Rutland, ACA, ATII, Executive Division, enclosing a comprehensive c.v., quoting ref. 285, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

MANAGER, TAXATION

London Attractive salary + car

North Sea Sun Oil Company Ltd, is an operator of both offshore and onshore licences in the UK and onshore in Europe. We are currently developing the Balmoral Field which will commence production early in 1987. This development, together with our other activities and the increasing complexity of taxation regulations means that the Company's tax planning is of vital importance.

The newly-created position of Manager, Taxation will take responsibility for tax compliance and planning for all aspects of Sun's European exploration and production operations. The emphasis will be on planning, and you will play an important advisory role to Management on the impact of proposed or actual tax regulations and the necessary actions to be taken. You will liaise with the Planning Section in preparing foreign tax aspects of economic analyses and long-range plans, and you will also supervise the development of a highly complex computer model designed to calculate taxation information required by the Balmoral Unit Operating Agreement.

You must possess a professional accounting qualification together with extensive taxation experience gained from an operating oil Company. You will also need to be able to demonstrate a high level of interpersonal skills as you will be supervising and directing three other members of staff, and in regular close contact with tax advisors and visiting tax auditors. A thorough knowledge and experience of US Taxation would also be desirable.

A competitive salary is combined with an excellent benefits package which includes a company car, private health insurance, life assurance and pension scheme. Please write with full cv to Barry Page, Personnel Officer, North Sea Sun Oil Company Ltd, 90 Long Acre, London WC2E 9RG.

SUN
North Sea Sun Oil Company Ltd.

ACCOUNTANCY APPOINTMENTS appear every THURSDAY

For further information, contact:

LOUISE HUNTER on 01-248 4864

ACA's with analytical ability for an investigative role – U.S. Multinational.

Central London

Newly/Recently Qualified **£18,500-20,000+Car**

We have been retained by a prestigious US Multinational to recruit high calibre ACA's for a non-routine role which will have a direct and substantial influence over the group's European operations including capital projects and acquisitions. Some time will be spent out of the country: likely areas being the commercial centres of Europe and the U.S.A. A knowledge of a second language is therefore desirable.

In our preliminary interviews we will be looking for applicants who can demonstrate highly developed interpersonal skills as the role will expose them to senior management and the decision-making process at an international level.

Interested applicants should contact David Ryves on 01-734 0493 or write, giving brief details to the address below quoting reference 1363.

Robert Walters Associates
Recruitment Consultants
54-62 Regent Street, London W1R 5PJ, Telephone: 01-734 0493

Chief Financial Executive

c £25,000 + car etc
Middlesex

Our client, a small but important UK subsidiary, well established in the chemical industry and belonging to an American parent, wishes to appoint a determined, business orientated financial executive to this key role, as part of the company's development programme.

In addition to the finance and accounting functions, the successful applicant will work closely with the UK Managing Director in determining, developing and implementing future business plans which are biased towards sales and marketing strategies.

Applicants, 30 to 45 years of age, must be in possession of a major accounting qualification, have sound commercial flair and possess experience of profit centre management in order to contribute to the company's success and future growth plans.

In addition to salary and bonus, benefits will include a fully expensed car, pension and life assurance arrangement and holidays etc. Removal costs will be discussed should the successful applicant require to move home to take up employment.

Please write in confidence quoting MCS/7175 and requesting a personal history form to Michael R Andrews, **Executive Selection Division, Price Waterhouse, Management Consultants, Southwark Towers, 32 London Bridge Street, London SE1 9SY.**

Price Waterhouse

LONRHO Plc
Newly-Qualified Accountant

£16,250 + benefits

Applications are invited from newly-qualified Chartered accountants, who can demonstrate a high level of technical competence, for the position of Assistant Group Accountant at the Headquarters of Lonrho Plc.

The ability to communicate effectively with senior management throughout the group and a flexible attitude are essential.

Responsibilities will include the analysis of management information and assisting in the preparation of the Lonrho Group published accounts. A variety of ad hoc exercises will be undertaken, which may involve limited overseas travel. These tasks involve the use of advanced electronic information systems.

Career opportunities, in the UK and overseas, exist for candidates who show themselves able to achieve the high standards demanded.

In addition to the above salary, the range of benefits includes membership of a private medical insurance scheme and a subsidised lease car scheme.

For further information please send career details, quoting reference V.310, to:—

The Group Personnel Manager,
LONRHO Plc,
Cheapside House, 138 Cheapside,
London EC2V 6BL

East Yorkshire **Up to £30,000 + Car**

Financial Director

Our clients have earned a high reputation in their industry. They are developers, providers and installers of advanced passive fire protection materials and systems. They operate worldwide, and structures they treat range from oil platforms and petro chemical plants to nuclear power stations. Now two years on the USM, they seek a Financial Director who will play a vital part in ensuring their Group's developing financial health.

Aged mid-30's upwards and an experienced ACA/ACMA, the successful candidate will preferably have an international Contracting industry background. City familiar, the appointee will run a well-organised Accounts Department and will further develop already sophisticated computerised management information and control systems.

The new incumbent will be both communicator and motivator at all levels and will help develop the Group's team management approach. The benefits package in return will include contributory pension, life assurance and private medical insurance, and assistance will be given with necessary relocation expenses.

Letters of application, together with CV, salary progression and any other relevant data should be sent without delay to the Managing Director, Performance Management Limited, 8th Floor, Peter House, St. Peter's Square, Manchester, M1 5BH, quoting ref. P109.

PM
Performance Management Limited
MANAGEMENT CONSULTANTS

EMA
Young Accountants
For Communications Group

London **c. £18,000 + Benefits**

Our client is part of a major international communications group whose worldwide revenues exceed US $2 billion.

The UK companies, with a combined turnover exceeding £500 million, are involved in publishing, printing, satellite television, paper making and transportation and can show a record of consistent growth. Internal promotions and planned expansion have created several openings for young graduate qualified accountants within our London based operating companies and the newly established group internal audit department.

Applicants for the accounting vacancies in the operating companies should have had some relevant commercial experience. Internal auditors who will be involved in business assessments, operational reviews and systems appraisals must be able to work independently, demonstrate sound commercial judgement and deal with senior management. It is expected that internal auditors will progress to senior financial positions within two years.

A fully competitive salary and benefits package based on age and experience will be offered.

Applicants should write enclosing a detailed CV with daytime phone number to: Richard Norman FCA, quoting reference no. M/2326.

Please Note: C.V.'s will be passed directly to our client and it is therefore important that you indicate any company to which you would not wish to be identified.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

Truman Miles
Management Recruitment Consultants

Group Accountant

International plc **£20,000 + Car**

This British group has an outstanding record of success in the 80's, turnover has more than doubled to £1,000m plus, and a policy of active expansion has invested in new ventures in the US and Europe, with further acquisitions made in the current year.

Planned promotions within the corporate head office in the West End, provide a major opportunity for a graduate chartered accountant, aged 30, to move from practice as a senior finance manager.

A strong personality, allied to commercial acumen and a flair for technical detail, is needed to direct and co-ordinate presentation of group financial and management information. You will enjoy close involvements with tax and treasury managers, and have the support of a small qualified team and excellent computer resources.

Preference will be shown to candidates with management experience of the control of audit, consolidation, taxation and investigation services for International Clients. Ref: 186

To apply, please call or write, in confidence, to Robert Miles
01-248 2002/2003 or after 8pm 01-568 0085 10/11 Bishops Court, Old Bailey, London EC4M 7EL

ASSISTANT ACCOUNTANT
(Part Qualified)

required now at Thorpe Park, a major leisure development owned by RMC Group plc. Based at Chertsey, Surrey, and responsible for the preparation of financial accounts, together with the control of accounting staff and cashiers. The successful candidate will be aged 24-28 and currently studying for professional accounting qualifications having achieved at least Part I by exam. Experience in the preparation of financial accounts and the supervision of staff is essential. Excellent opportunities exist for career development within the group.

Personnel Dept,
Leisure Sport Limited,
Thorpe Park,
Staines Road,
Chertsey, Surrey

Accountancy Appointments

Appointments Wanted

Company Notices

OSG MFG CO.

**US$20,000,000
3¼ PER CENT CONVERTIBLE BONDS 1999**

In respect of the above issue, Notice is hereby given as follows:

On the 21st October 1985 the Board of Directors of OSG MFG Co. (the Company) resolved to make to shareholders of record at noon on 30th November 1985 a free distribution of shares at the rate of 0.2 shares for one share held, provided that fractions less than one share which should be otherwise distributed to the shareholders shall be aggregated and sold to third parties. The proceeds of such sale to be distributed as a cash adjustment to the effected shareholders.

The conversion price in effect to this date is Yen 664 per share of common stock and the adjusted conversion price will be Yen 553.30 per share of common stock after giving effect to the aforesaid free distribution of shares, pursuant to the provision of condition 5(C) of the bonds.

Since the record date will be the 30th November 1985 the new conversion price of Yen 553.30 will take effect in Japan on 1st December 1985.

THE TOKAI BANK LTD
London
Principal Paying and
Conversion Agent

METROPOLITAN ESTATE & PROPERTY INTERNATIONAL N.V.

**20,000,000 EUROPEAN COMPOSITE UNITS ("EURCO")
8¼% LOAN 1988**

NOTICE IS HEREBY GIVEN that:—

(a) the amount to become due against Coupon No. 12 dated 15th November 1985 from bonds of the above loan is U.S.$77.18 per coupon, or, in the case of coupons in respect of which valid selections of other currencies of payment have been made DM 204.22 or B Fcs (Fin) 4152.82 per coupon as the case may be.

(b) bonds in the principal amount of Eurco 750,000 were purchased and cancelled during the year ended 14th November 1985.

(c) the nominal amount of this loan remaining outstanding after 15th November 1985 will be Eurco 11,000,000.

Principal Paying Agent
N. M. Rothschild & Sons Limited
New Court, St Swithin's Lane
London EC4P 4DU

14th November 1985

UNILEVER N.V.

CERTIFICATES FOR ORDINARY SUB SHARES OF FL.12 ISSUED BY N V NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

NOTICE IS HEREBY GIVEN that EXCHANGES of Sub-Share Certificates in the name of Midland Bank Executor and Trustee Company Limited, now MIDLAND BANK TRUST COMPANY LIMITED, for Bearer Certificates and Unilever N V New York Shares and vice versa will be SUSPENDED from 29 November 1985 to 12 December 1985 inclusive.

Certificates will only be accepted for exchange after 12 December 1985 provided that all dividends declared prior to that date have been claimed.

N V NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

London Transfer Office,
Unilever House, Blackfriars,
London EC4P 4BQ.
12 November 1985.

REFINERIA DE PETROLEOS DEL NORTE S.A. PETRONOR

**7¾% Bonds 1973/1988
US$15,000,000**

NOTICE IS HEREBY GIVEN to Bondholders of the above loan that the amount redeemable on January 4, 1986, i.e. US$2,000,000 was bought in the market.

Amount outstanding: US$4,000,000.

The Trustee
FINIMTRUST S.A.

Luxembourg.
November 14, 1985.

AICA KOGYO COMPANY LIMITED
USDOLLAR29,000,000 7¼ GUARANTEED NOTES DUE 1990

In respect of the above issue, notice is hereby given as follows:

Pursuant to the clause 4 of the Instrument dated 27th August, 1985.

1) On 5th November, 1985 the Board of Directors of Aica Kogyo Company, Limited (The Company) resolved to make a free distribution of shares of its common stock on 20th January, 1986 to the shareholders of record as of 30th November, 1985 in Japan at the rate of 1: 0.05 new share for each share held (five shares for a hundred shares held).

2) Accordingly, the subscription price will be adjusted with effect 1st December, 1985 Japan time. The subscription price in effect before such adjustment is Yen 742, and the adjusted subscription price will be Yen 706.70

TOKAI BANK LTD., LONDON
Principal Paying Agent.

NOTICE OF REDEMPTION
EUROPEAN ATOMIC ENERGY COMMUNITY US$50,000,000 9¾% NOTES OF 1978 DUE 31st OF DECEMBER 1990

The Commission of the European Communities announces that a selection by lot of Notes for a nominal amount of US$5,000,000 has taken place on November 5, 1985 at The Bank of Tokyo (Luxembourg) S.A.

The serial numbers of the Notes called for redemption are as follows:

2 17 24 33 61
53 67 76 81 99

The Notes selected by lot will be reimbursed on or after December 31, 1985 with coupon on December 31, 1986 and following in accordance with the terms of payment mentioned on the Notes.

The Fiscal Agent
THE BANK OF TOKYO
(LUXEMBOURG) S.A.

ELECTRONIC MEMORIES INTERNATIONAL N.V.

**US$13,500,000
5½% SUBORDINATED GUARANTEED CONVERTIBLE BONDS 1988**

S. G. WARBURG & CO LTD. announce that the redemption instalment of Bonds due 15th December, 1985 for a nominal value of US$1,350,000 has been met by purchases in the market.

US$4,050,000 nominal amount of Bonds will remain outstanding after 15th December, 1985.

33 King William Street,
London EC4R 9AS.

14th November, 1985.

ALLIED IRISH BANKS PLC

NOTICE IS HEREBY GIVEN that the Ordinary Share Register of the Company will be closed from 25th November 1985 to 29th November 1985, both dates inclusive, for the purpose of preparing warrants for an Interim Dividend on account of the year ending 31st March 1986, which will be posted to Shareholders on 18th December 1985.

By Order of the Board
D. B. MOTYER, Secretary

Bankcentre,
Ballsbridge, Dublin 4.
14th November 1985.

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrant and we have been asked to issue a duplicate.

No 813362 34 Bundles Aluminium Brand: IAS. 35,061 Kilos. Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods, or the issue of a duplicate Warrant.

C. STEINWEG,
Willemskade 20,
Rotterdam 2,
Netherlands.

General Appointments

Contracts and Tenders

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday November 14 1985

HIGHER SALES BOOST WEST GERMAN VEHICLE MAKER'S RECOVERY

VW rebounds to DM 424m profit

BY JOHN DAVIES IN FRANKFURT

VOLKSWAGEN, the West German motor vehicle maker, has made further progress in its financial recovery, with increased sales boosting its profits.

VW, including its Audi subsidiary, made group net profits of DM 424m ($162.5m) in the first nine months of this year, compared with a loss of DM 47m in the same period last year.

Worldwide sales revenue reached DM 38.6bn, 19.3 per cent ahead of sales in the first nine months last year.

After losses of DM 300m in 1982 and DM 215m in 1983, VW has been making a strong comeback, aided by the success of its new generation Golf in Europe and improved earnings in export markets, including the US.

VW suffered a setback last year with the seven-week labour conflict in the motor industry over shorter working hours but overcame its problems to report a group profit of DM 228m by the end of the year.

It had outstripped this result by the half-way stage this year, when group earnings reached DM 281m.

VW paid a dividend of DM 5 a share on last year's earnings after omitting a payout for the previous two years.

With profits surging ahead, there has been speculation that it will increase its dividend on this year's results although the company has refrained from a commitment.

Mr Carl Hahn, chief executive, has pointed out that VW must continue its intensive efforts to improve profitability. In 1979 VW made net profit of DM 667m on sales of DM 30.7bn.

VW and Audi boosted their production to 1.78m vehicles in the first nine months of this year, up 14.8 per cent on a year ago.

Production in West Germany was up 17.6 per cent at 1.21m. Output abroad showed a more modest rise of 8.9 per cent to 546 000.

VW and Audi distributed 1.74m vehicles to their dealer organisations, a 13.6 per cent rise on the same period last year. Deliveries worldwide were up 11.4 per cent at 1.8m vehicles.

Although the West German market is still lagging a little behind last year, VW's sales on its home terrain are slightly ahead. Its sales in North America are well up on a year ago. In Brazil sales have risen in spite of a strike.

South Africa, however, is proving a headache for VW and other West German car makers, with sales suffering further setbacks.

VW made a loss of DM 51m in South Africa last year, and the industry as a whole is unhappy with results there so far this year.

VW incurred heavy losses through its Triumph-Adler office equipment subsidiary in recent years but hopes for a lighter burden this year.

VW has been building up its workforce to increase car production and offset the introduction of shorter working hours. The group employed 255,000 workers at the end of September, 7 per cent more than a year earlier.

Healthier MAN to reinstate dividend

By Rupert Cornwell in Bonn

THE long-troubled MAN motor and heavy vehicle subsidiary of the Gutehoffnungshütte (GHH) engineering group yesterday celebrated its return to financial health by announcing a dividend of DM 2 per DM 50 share – its first payment to stockholders for three years.

In the year to last June 30, MAN achieved a profit of DM 407.5m ($155.5m), made up of an operating profit of DM 32.5m and exceptional capital gains of DM 375m, resulting from the sale to Daimler-Benz earlier this year of its 50 per cent stake in MTU, the engine manufacturer.

The latter sum is being made over to reserves, meaning that MAN's own resources rose over the year to DM 1.26bn from DM 881m at the end of the 1983-84 financial year.

The rest will go to shareholders. Not only will all stockholders receive a DM 2 payment for 1984-85, but – in accordance with the company's statutes – preference shareholders will get guaranteed dividends for a similar amount covering 1982-83 and 1983-84, when the dividend was passed.

MAN's revival, the fruit of a rigorous programme of cost cutting and labour shedding, ends a difficult period during which it declared a balance-sheet loss of DM 260m, covered by running down reserves.

The success of the measures has helped pave the way for a plan, announced two months ago, for GHH to merge with MAN, of whose DM 430m capital it holds 75 per cent, and to create a single, better-integrated group

GHH/MAN had long been bedevilled by poor co-ordination and often near-hostility between the two partners.

Nestlé forecasts earnings advance as sales soar

BY WILLIAM DULLFORCE IN GENEVA

NESTLÉ, the Swiss foods group, expects to achieve a "satisfactory advance" in net earnings this year, Mr Helmut Maucher, managing director, said yesterday.

Consolidated sales should reach the SFr 41bn–SFr 42bn ($19bn–$19.5bn) bracket, slightly below the SFr 43bn–SFr 45bn target set by Mr Maucher last May.

The decline in the value of the dollar is the main reason for the shortfall.

The anticipated improvement on last year's net profit of SFr 1.49bn also depends on there being no further dramatic deterioration in the dollar rate in the remaining few weeks of the year.

Group sales climbed by more than 39 per cent to SFr 35.4bn in the first 10 months, mainly due to the consolidation into the accounts of Carnation, the US food processing company which Nestlé bought at the beginning of the year.

Mr Maucher had warned earlier that 1985 would be a transitional year for Nestlé, dominated by the incorporation of Carnation, and that profit margins would be squeezed.

It was Nestlé's practice to let the payout to shareholders follow the profit development and it was unlikely that the board would propose a 1985 dividend lower than last year's SFr 135 a share, he said.

The Swiss foods group has spent roughly SFr 9bn over the last two years to buy companies – whose combined annual sales total SFr 12bn – in order to reinforce its positions in countries and products where it had not been active.

It paid $3bn for Carnation. The strategic value of that decision had been underlined by more recent takeovers in the US foods business, where the synergy effects were more uncertain than in the Nestlé-Carnation case, Mr Maucher said.

The price, roughly 13 times earnings, that Nestlé had paid for Carnation was considerably less than Philip Morris, the US foods and tobacco group, recently paid for General Foods.

Nestlé appears to be comfortably swallowing the costs of its purchases. The net cost after recent sales of companies which were regarded as marginal to group business is about SFr 8.2bn.

It met SFr 3.4bn from its own resources and since June 1984 has raised SFr 1.93bn in new share capital and collected SFr 840m from issues of bearer participation certificates.

Swiss profits outlook rosy

BY JOHN WICKS IN ZURICH

EARNINGS of Switzerland's listed companies should rise by about 25 per cent this year, according to estimates from the Zurich-based Bank Vontobel.

This expected growth rate, which would bring total net profits to nearly SFr 12.8bn, is seen as following a 28 per cent increase last year.

Biggest corporate earners this year remain the banks, the chemical and food industries and insurances, whose combined profits are put at about 85 per cent of the total by the report. Their 1985 growth rates are estimated at 18–29 per cent.

Machinery manufacturers are seen as making the biggest recovery with net earnings this year reckoned to have jumped by 160 per cent from more than SFr 190m to more than SFr 500m.

For 1986, Vontobel reckons with a further 15 per cent improvement in overall corporate profits.

Fiat to take full control of Fiat-Allis

By Alan Friedman in Milan

FIAT, Italy's leading private-sector group, and Allis-Chalmers, the US corporation, have settled their six-year-old dispute over the ill-fated Fiat-Allis joint venture in the earthmoving equipment sector.

Under the terms of an agreement announced jointly by the two companies yesterday Fiat is to have 100 per cent control of Fiat-Allis. The size of the US company's remaining minority stake had been at issue, with Fiat claiming it amounted to less than 2 per cent and Allis-Chalmers saying it totalled 5 per cent.

Neither Fiat in Turin nor Allis-Chalmers in Milwaukee were willing yesterday to disclose the financial terms of the settlement, which has the effect of avoiding an arbitration agreement by a Swiss tribunal. Allis-Chalmers did disclose last February, however, that it was seeking the payment of more than $100m from Fiat.

The two companies linked their earthmoving equipment businesses in 1973, when Fiat paid Allis-Chalmers $55m for a 65 per cent stake in its construction equipment subsidiary. In 1979 Allis-Chalmers told Fiat it wished to get out of the venture and sought a return of its investment.

Mr Giovanni Germano, Fiat-Allis managing director, explained earlier this year that Fiat had refused to buy out the US company's participation, "because we had no interest in buying out a minority shareholder. After all, we had control."

Fiat-Allis, hit by the crisis in the construction equipment sector, lost $229.4m between 1977 and 1983. Last year it returned to the black with a $5.1m profit.

The size of Allis-Chalmers's share stake in the venture was at issue because the US company did not participate in key capital injections and investments in the early 1980s.

US retailers maintain strong growth

By Our Financial Staff

TWO MORE US retailers have reported strong growth in latest-quarter net profits. F. W. Woolworth turned in a 46 per cent advance in third-quarter net earnings to $38m, and R. H. Macy showed a 36 per cent rise to $42.72m for its first quarter to November 2.

At Woolworth, sales for the three months were up at $1.47bn, against $1.4bn, with domestic turnover 4 per cent higher and a 5.6 per cent rise overseas.

The group increased nine-month earnings to $71m, from $49m, on sales of $4.11bn, against $3.98bn. On a per-share basis the earnings rise was from $1.54 to $2.21 in the nine months with $1.20 against 82 cents, in the quarter.

Macy, which operates 96 department stores and is currently facing a management buy-out bid, had first-quarter sales of $1.1bn compared with $1.01bn.

On a per-share basis its earnings for the three months were up from 61 to 83 cents.

Bell & Howell buys Xerox unit

BY PAUL TAYLOR IN NEW YORK

BELL AND HOWELL, the US communications equipment and services group, yesterday agreed to acquire Xerox's University Microfilms International unit for $100m in cash in a deal which extends Bell and Howell's push into database publishing.

Separately, the Skokie, Illinois-based group also announced plans to acquire the Bekins Records Management companies from Mr Irwin Jacobs' Minstar Group for $42m in cash.

Bekins Records, based in Los Angeles, provides off-site storage, retrieval and document management services for corporate and other customers from facilities in 27 metropolitan areas. It was acquired by Minstar in 1983 as part of the Bekins group.

University Microfilms, based in Ann Arbor, Michigan, republishes newspapers, periodicals, rare books, doctoral dissertations and government publications in microfilm, xerographic or on-line formats.

Mr Donald Frey, Bell and Howell's chairman and chief executive, said the purchase "reaffirms our commitment to the database publishing industry and the continued development of new modes of data-based delivery systems."

The acquisition would complement the group's micropublishing business headquartered in Wooster, Ohio, he said.

Mr Frey said the Bekins Records purchase would complement the group's information storage and retrieval business. Off-site document storage and management was estimated to be a $250m annual business in the US, he said.

● Minstar, the Minneapolis-based group, also announced the sale of two other business units, AMF Union Machinery and AMF Biological and Diagnostics, as part of efforts to reduce its debt burden following the recent acquisition

Learjet maker plans further cuts

BY OUR NEW YORK STAFF

GATES LEARJET, the US business jet aircraft maker, is to close its main manufacturing plant in Tucson, Arizona, next month and lay off about a quarter of its already reduced 2,050-strong workforce, the group said yesterday.

The move, which came as the group reported a substantially higher $9.3m third-quarter net loss, highlights the impact of the continued slump in the business aviation market coupled with the completion of the company's large US Air Force contract.

Mr James Taylor, who took over as president and chief executive of the group earlier this year, said production of its main products, the Learjet Series 35 and Series 55 aircraft, would be switched from Tucson to Wichita, Kansas.

The latest job cuts follow similar-sized reductions announced in September as part of a cost-reduction programme and the completion of Gates Learjet's C-21A contract with the US Air Force. The group's workforce has been slashed from 6,000 in 1981, mainly reflecting an extended slump in the industry.

Gates Learjet's third-quarter net loss, equivalent to 77 cents a share, compares with a net loss of $1.8m, or 15 cents, in the year-ago quarter and came on sales which plunged by 25 per cent to $61.8m from $82m.

The group blamed the higher losses on "liquidation of slow-moving inventory which included sales of Learjet Model 25s and used aircraft at lower margins," coupled with reduced sales of Learjet 30 and 50 Series and high interest costs.

The group posted a $11m, or 91 cents a share, loss for the first nine months of this year, up from a $1.3m, or 10 cents a share, net loss in the same period last year.

Sales in the latest nine months fell to $206.4m from $284.2m, partly reflecting $47.9m in sales of 20 C-21A aircraft in the 1984 period to third-party lessors.

Gates Learjet is 65 per cent owned by the family-controlled Gates Corporation led by Mr Charles Gates, group chairman.

UK home loan group seeks £75m credit

By Peter Montagnon, Euromarkets Correspondent

NATIONAL & PROVINCIAL Building Society has made its debut in the international capital markets with the launch of a £75m seven-year loan led by Lloyds Merchant Bank.

The credit, which was due to enter syndication last night, bears a margin of ⅛ per cent over sterling money market rates. It is part of a continuing flow of borrowings by British building societies, which are seeking to diversify their funding into wholesale markets.

Unlike some other building society borrowers which have tapped the floating-rate note market, National & Provincial opted for a credit because of its additional flexibility.

The society can choose between one, three and six-month rates as a reference charge, which allows it to benefit from fluctuations in the yield curve.

Cologne Re gloom over reinsurance

BY JONATHAN CARR IN COLOGNE

KÖLNISCHE Rückversicherung (Cologne Re), one of West Germany's leading reinsurance companies, will raise gross premium income slightly this year for the first time since 1982 and looks likely to pay an unchanged 18 per cent dividend.

But despite the increase in income Dr Richard Wiedemann, chief executive, warned against "wishful thinking" that the situation on the reinsurance market has markedly and durably improved.

Although Cologne Re had "released the brake a bit" after years of strict consolidation, premium rates and conditions generally remained very unsatisfactory. The company would continue to put earning strength before premium income growth, Dr Wiedemann stressed.

Improved results were expected notably in the life and vehicle sectors, but the liability reinsurance market remained difficult.

Moreover a series of major disasters – including earthquakes in Mexico and Chile, hurricanes in the US and air crashes – would add to this year's costs.

As a result, the loss on Cologne Re's reinsurance business alone would be no less than it was in 1984.

Last year Cologne Re cut its reinsurance loss to DM 61.4m ($31m) from DM 81.9m, on gross premium income which fell by 1.8 per cent to DM 1.45bn. This followed a cut of 2.8 per cent in premium income in 1983.

Thanks to profits of DM 101.8m from "general business" and after boosting reserves by more than in 1983, Cologne Re recorded a net profit of DM 7.8m and paid an 18 per cent dividend.

EUROBONDS

SAS revives the fixed-to-floating swap

BY MAGGIE URRY IN LONDON

SCANDINAVIAN Airline Systems was the first borrower for some days to launch a plain vanilla fixed-rate Eurodollar bond with a swap into floating-rate funds. The recent rise in the New York bond market had ruled out such deals because swaps are priced off the US Treasury market which had been outperforming the Eurobond market. Yesterday New York fell back early in the day, and Eurodollar bonds were unchanged.

BHF Bank bond average		
Nov 13		Previous
104.302		104.107
High	1985	Low
105.603		98.840

SAS achieved a cost of borrowing of about 49 basis points over the US Treasury curve for its $150m issue with a coupon of 10⅛ per cent, a par issue price and fees of 2 per cent. Lead manager is Morgan Guaranty. The borrower is rare in the Eurodollar market, and the bonds were trading within the fees.

Banque Nationale de Paris obtained a swap into floating-rate dollars at 35 basis points below London inter-bank offered rate (Libor) through a $100m five-year issue with warrants. The structure is based on deals done by Morgan Stanley for 10-year issues, and traders said the idea of a five-year bond with a call after three years was not attractive.

The bonds have a 9⅝ per cent coupon and 100¼ issue price. The warrants were placed privately by Salomon Brothers at an undisclosed price. They can be exercised into bonds with the same coupon and maturity using the bonds in the first three years and cash thereafter. Fees total 1⅞ per cent, but dealers said the bonds were trading at a greater discount.

Swiss Bank Corporation International launched a $100m issue with equity warrants for SBC Finance. The warrants buy into the bank's bearer participation certificates and will be fungible with a second bond issue in Switzerland. The Eurodollar bonds have a seven-year life and pay a 5½ per cent coupon with a par issue price. The SFr 200m bonds have a 10-year life and 3 per cent coupon. The Eurodollar portion will not be syndicated, and SBCI was yesterday quoting the bonds at 103 bid.

Another collateralised floating-rate note was launched, a $125m deal for Empire of America Federal Savings Bank. These issues, which have a AAA rating because they are backed by mortgages and US government securities, have proved popular. Salomon Brothers set the interest rate for the 10-year deal at ¼ per cent above six-month Libor with fees of 40 basis points. The bonds were bid at 99.75.

In the Far East LTCB (Asia) launched a $100m floater for Hyundai Engineering and Construction, the Korean group. The 12-year bonds will pay interest at ¼ per cent over six-month Libor for the first four years, ⁵⁄₁₆ per cent over for the next four years and ⅜ per cent over for the last four. Investors have put options after four and eight years.

A Euro-Canadian dollar bond for Gaz Metropolitain, the Quebec utility, was launched by Société Générale. The C$50m 10-year deal has a coupon of 10⅛ per cent, thought to be a little aggressive when there are issues with 11 per cent coupons available. Issue price is 100¼, and the bonds were trading just inside the 2 per cent fees.

The price tender for Sweden's £100m bulldog issue will go ahead today with a minimum price set by Morgan Grenfell of 87.10. The coupon for the 29-year issue fixed at 9¾ per cent to give a yield of 11.266 per cent, 75 basis points above the yield on Treasury 13¾ per cent 2004-08 at 3pm yesterday. The gilt-edged market firmed following the UK Chancellor of the Exchequer's autumn statement on Tuesday.

The Malaysian floater appeared as expected in the D-Mark sector at DM 1.2bn with a 20-year maturity and a coupon to be set quarterly at 10 basis points above three-month Libor. Lead manager CSFB-Effectenbank has pre-placed around DM 550m of the deal. However, traders regarded the terms as too aggressive for this borrower, and the bonds were bid at a level equal to the full 60 basis point fees, making it unprofitable to non-German co-managers. German banks in the deal get an extra fee.

A fixed-rate private placement for Australia totalling DM 150m went well and was trading close to the par issue price. The bonds have a five-year life, a popular maturity, and a 8½ per cent coupon. Deutsche Bank is the lead manager.

The secondary market for D-Mark Eurobonds firmed in the morning but drifted lower again, leaving net gains of up to ½ point. An excess of supply in the Eurobond sector means that prices are lagging behind the domestic market.

In the Swiss franc foreign bond market prices were slightly firmer in average turnover yesterday.

International bond service, Page 21

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Sanko shares delisted as bail-out efforts continue

BY YOKO SHIBATA IN TOKYO

SANKO STEAMSHIP, the Japanese tanker operator which is under court protection from its creditors, will today have its shares delisted from the eight domestic exchanges on which it is quoted as well as from the markets in Hong Kong, Luxembourg and Frankfurt.

In Tokyo the shares closed their final day's trading at Y1, the lowest for an yissue in the history of the exchange. They fell from Y2 on Tuesday, with more than 63m shares traded as last ditch speculation persisted. The shares, which reached as high as Y2,560 in 1980, have been traded on the "liquidation post" of the Tokyo exchange since August 13.

The Japanese authorities are meanwhile continuing with efforts to secure a bail-out which will keep Sanko in business. A series of approaches have been made to the company's creditor banks and to the nine leading trading houses which have charter deals with Sanko.

Mr Tokuo Yamashita, the Transport Minister, said this week that he had reiterated a request to Daiwa Bank to co-operate in the reconstruction of Sanko. Mr Sumio Abekawa, the bank's president, indicated yesterday that it is finding it difficult to meet the request for additional loans.

Daiwa is understood to have been asked to extend Y5bn ($24.4m) out of Y11bn which Mr Mitsuhide Miyata, the court-appointed custodian, says should be shouldered by the trading houses.

According to Mr Miyata, Y31bn is needed to run the company until next April. The three lead banks have agreed to shoulder Y20bn, but the nine trading houses have been reluctant to contribute the rest.

● Hitachi Zosen, one of the country's major shipbuilders, yesterday reported a pre-tax loss of Y13.13bn for the half-year to September, a sharp downturn from the previous year's interim profits of Y4.8bn.

The net loss at Y18.6bn compares with profits of Y2.8bn. Turnover was Y145.3bn, down 1.2 per cent. The interim dividend is omitted: last year Y2.50 per share was paid.

The company has set aside a special provision of Y5.5bn for irrecoverable credits to Sanko Steamship. Earlier this month it announced the closure of its Hiroshima new vessels yard and 5,000 redundancies.

National Australia Bank lifts earnings

By Lachlan Drummond in Sydney

NATIONAL AUSTRALIA Bank yesterday reported net earnings of A$301.7m (US$199.2m) for the year to September, after winning market share from its domestic rivals. The profits were 30 per cent higher than an adjusted total of A$231.9m for the previous year.

The National is the first of the three major private sector banks to report profits for the year. It revised the previous year's figure downward from A$277.7m to take account of its full ownership this time of its merchant bank arm, formerly half owned by Chase Manhattan.

The bank said the main influences on profit growth were demand for funds leading to increases in deposits and lending, continued strong demand for housing finance, expansion in its offshore business and use of funds raised through a convertible note issue in September last year.

Gross income grew 27 per cent to A$4.04bn with the interest income component up 28 per cent to A$3.45bn. Interest outgoings rose 35 per cent to A$2.19bn with the margin between interest income and costs up only 12.3 per cent to A$951m.

Non-financing operating costs were held to a 12.9 per cent increase at A$999m, with pre-tax earnings coming out 21.8 per cent higher at A$491.3m.

Taxes were only 10.5 per cent higher at A$189.2m, mainly because of higher levels of rebatable dividend income.

Mr Nobby Clark, the managing director, said the National's share of the savings bank market grew by 0.8 points to 13.9 per cent while its trading bank share was 1.4 points higher at 25.7 per cent.

The bank is paying a 14 cents a share final dividend for a total of 27.5 cents compared with 25 cents. Earnings per share were 87.7 cents against 70.1 cents.

Setback for Japan's steelmakers

BY OUR TOKYO STAFF

WORSE than expected earnings were reported yesterday by Japan's five major steelmakers, with their combined pre-tax profits for the half year to September, dropping by 17 per cent. Earnings were initially projected to maintain the previous year's level.

The decline stemmed largely from a misreading of the US market. When the companies started voluntary restraints of high-margin steel exports to the US, the expected the US market price to improve. However, intensified sales competition was triggered by a price cutting offensive by US Steel. They have also suffered from slower demaod from China.

Nippon Steel, the largest steelmaker, said its production of rolling steel dropped by 3.23m tonnes to 13.27m tonnes and value sales of rolled steel fell by Y32.5bn ($158.7m) to Y1,220bn. Exchaoge gains were cancelled out by these negative factors.

JAPANESE STEELMAKERS

Parent company results, Ybn; half-year to Sept. 85 (Sept. 84)

	Sales	Pre-tax profits	Net profits
Nippon Steel	1,432 (1,386)	33.71 (48.24)	21.91 (30.48)
Kawasaki Steel	603 (605)	18.11 (20.82)	10.61 (11.42)
Nippon Kokan	646 (678)	13.46 (13.38)	9.46 (10.03)
Kobe Steel	615 (610)	12.35 (12.06)	6.85 (5.86)
Sumitomo Metal	571 (587)	14.12 (15.09)	13.32 (11.08)

Nippon Kokan suffered a decline in plant orders and deliveries in its shipbuilding sector. Its marginal increase in pre-tax profits was derived from non-operating items such as lower depreciation costs.

Kobe Steel—the most diversified of the five, with a non-ferrous sector accounting for 60 per cent of total turnover—fared relatively well. The company's aluminium magnetic discs, which hold 60 per cent of the world share market, were a contributor to earnings.

For the current half year all five have a pessimistic outlook for earnings. A recovery in the US market is seen as unlikely and a further slowdown of exports to China is expected. Full-year crude steel production estimates hava been revised downward by 4m tonnes to between 120m and 130m tonnes.

Nippon Steel, Kawasaki Steel, and Sumotomo Metal Industries expect a fall of some 20 per cent in pre-tax profits for the year. Those of Nippon Kokan are expected to fall by 40 per cent, while the setback at Kobe Steel is thought likely to be smaller than at the others.

Japanese bond prices fall

BY CARLA RAPOPORT IN TOKYO

JAPANESE GOVERNMENT bond prices fell to new lows yesterday on fears that short-term interest rates may rise further in the oext few weeks.

The benchmark 68th Government 6.8 per cent long bond, lost Y0.57 to close at Y99.71, which put it below par value in large-lot trading for the first time. Its yield rose to 6.85 per cent from 6.75 per cent.

Share prices on the Tokyo Stock Exchange also fell for the fifth day in a row. The TSE stock average ended trading at 12,716.29, down 18.79 on Tuesday's close.

Bond dealers said the drop in prices was due to further unloading of bonds by large agricultural credit co-operatives, regional banks and the long-term banks. The rush to liquidate was encouraged by reports that commercial banks may raise their short-term prime lending rate to 5.75 per cent from 5.5 per cent.

Fuji Heavy ahead midway

BY OUR TOKYO STAFF

FUJI HEAVY Industries, the maker of Subaru cars, boosted pre-tax profits by 41.3 per cent to Y24bn ($117.2m) in the half year to September.

Net profits advanced by 11.7 per cent to Y8.7bn, and sales were Y379.16bn, up 21 per cent. Net earnings per share moved up from Y21.16 to Y23.27.

The increase in sales were attributed chiefly to strong exports of small cars, up by 19,744 units to 135,830 or some 42 per cent of all the company's sales of these vehicles. Cars accounted for 85 per cent of total turnover.

For the full year, car exports including knock-down kits are projected to increase by 19 per cent to 295,000 units, with domestic sales of 310,000, up 5 per cent.

Pre-tax profits are expected to reach Y35bn, up 16.4 per cent, on sales of Y760bn, up 13 per cent. The company plans to maintain its annual dividend at Y8.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 13.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amev 10⅛ 92	100	99⅛	99⅝	+0⅛	+0⅜	10.56
Amex Credit 10⅞ 90	100	103⅛	103⅝	+0⅛	+0⅝	9.87
Atlant Richfld 10¼ 00	250	96⅞	97⅜	+0⅜	+0¾	10.63
Australia Com 11¼ 00	100	104⅞	105⅜	+0⅛	+0¾	10.53
Australia Com 11 95	200	104⅞	105⅜	+0¼	+0¾	10.12
BP Capital 11⅛ 92	150	104⅜	104⅞	+0¼	+0⅝	10.07
Campbell Soup 10½ 95	100	103	103½	+0¼	+0¾	9.95
Canada 11½ 90	500	106¾	107¼	+0¼	+0⅜	9.43
Canadian Pac 10¾ 93	100	103¼	103¾	+0¼	+0¼	10.04
Canadian Pac 12½ 90	75	108¼	108¾	+0⅛	+0½	11.25
CEPME 10⅝ 91	100	100¼	100¾	+0⅛	+0½	10.00
Chevron U.S.A. 12¼ 89	600	105	105½	+0⅛	+0⅛	10.53
Citicorp 10 88	200	101⅛	101⅝	+0⅛	+0½	9.39
Citicorp 10⅝ 95	200	99	99½	+0⅛	+0¾	10.73
Coca Cola 11⅛ 91	100	107⅛	107⅝	+0⅛	+0⅜	10.03
Denmark Kingdom 11¼ 89	100	104	104½	+0⅜	+0¼	9.71
Denmark Kingdom 11½ 90	100	105¼	105¾	+0¼	+0¾	9.89
Denmark Kingdom 11½ 92	100	105⅛	105⅝	+0½	+0⅝	10.28
E.D.F. 10 95	225	98	98½	+0⅜	+1	10.26
E.E.C. 9⅜ 90	350	99⅜	99⅞	0	+0⅜	9.70
E.E.C. 11⅛ 90	100	105	105½	+0¼	+1	9.53
E.I.B. 12 95	200	109⅜	109⅞	+0½	+1¼	10.32
Eli Lilly 10¼ 92	150	102⅛	102⅝	0	+0⅜	9.75
Export Dev Corp 10 90	100	101½	102	+0⅜	+0⅜	9.46
Export Dev Corp 12 00	100	107⅝	108⅛	+0¼	+0⅝	9.82
Fed Dep Stores 10⅛ 95	100	98¾	99¼	+0¼	+1	10.27
Ford Motor Cred 11⅛ 90	100	103⅞	104⅜	+0¼	+0½	10.10
Ford Motor Cred 11¼ 92	100	† 104¾	105¼	0	+1¼	10.01
Ford Motor Cred 12 95	100	106¼	106¾	+0¾	+0⅞	10.83
Gen Elec Credit 10⅛ 00	200	101⅝	102⅛	+0½	+0¼	9.98
GMAC 10⅛ 89	200	101⅞	102⅜	+0⅛	+0⅝	9.48
IADB 10½ 95	150	101	101½	+0¼	+1⅛	10.28
IBM Credit 10⅛ 2000	300	† 102⅝	103⅛	+0⅜	+0⅝	9.90
Kellogg Company 10⅞ 90	100	103⅜	104⅛	0	+0⅜	9.88
Kellogg Company 11¼ 92	100	105⅜	105⅞	+0¼	+1	9.97
L.T.C.B. 12⅞ 91	100	111½	112	+0⅜	+1	10.15
Macy Cred Corp 11⅞ 95	100	101½	102	+0¼	+0⅛	11.41
Mitsui Trust 11⅛ 90	100	103⅞	104⅜	+0⅛	+0¼	10.42
Pillsbury Co. 10¼ 95	100	98½	99	+0¼	+0⅞	10.48
Pru Realty secs 12⅛ 95	545	109⅜	109⅞	+0⅛	+0⅞	10.59
Qantas Airways 10⅜ 95	140	100¾	101¼	+0⅛	+0⅞	10.19
Quebec Hydro 11½ 92	100	107⅛	107⅝	−0¼	+0¾	9.98

The remaining sections of the bond table (further U.S. Dollar Straights, Other Straights, Floating Rate Notes, Deutsche Mark Straights, Swiss Franc Straights, Yen Straights, Convertible Bonds) and its footnotes are [illegible].

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INTL. COMPANIES & FINANCE

Small Swedish company takes dominant Götabanken holding

BY KEVIN DONE IN STOCKHOLM

PROVENTUS, a small Swedish holding and investment company, has emerged as the dominant shareholder in Götabanken, Sweden's fourth largest commercial bank.

Proventus first began buying shares in Götabanken in February, but in a series of deals this week it has almost doubled its stake to 38.3 per cent of the equity and 41.7 per cent of the votes.

Turbulence in the trading of Götabanken shares earlier this year prompted Mr Sten Walberg, head of the Swedish Bank Inspectorate, to call for a new law limiting any single shareholder to a maximum stake of 10 per cent in the country's commercial banks.

The move appeared to be aimed specifically at restraining the share purchases by Proventus and allied companies in Götabanken, but the inspectorate has won little support from the Government.

Under the bank's own statutes a single shareholder can in any case only vote to a maximum of 10 per cent of the voting power represented at the annual meeting.

Proventus, led by Mr Robert Weil, one of a new breed of young aggressive financiers, was launched on the Stockholm stock market in 1982. Its other interests are chiefly in property and two glassware and silverware companies, but recently it has also taken over Herakles, a small investment company.

Mr Gabriel Urwitz, Proventus managing director, said that the latest share purchases in Götabanken "should be regarded as a sign that we are in to stay." Proventus now owns 3,677,100 shares in Götabanken for which it has paid a book value of SKr 577m ($73m).

In three deals this week it has purchased a block of 920,900 shares from Datatronic, a Swedish computer company, 500,000 shares from Mr Birger Gustavsson, the majority owner of Fabege, a property and construction company, and 370,000 shares through the stock market.

Götabanken shares have been trading at around SKr 183 this week, putting a market value of SKr 673m on the present Proventus holding.

At the end of 1984 Götabanken had total assets of SKr 39.3bn. It has been troubled by poor profitability, but a far-reaching restructuring of the group's operations appears to be bearing fruit, and in the first eight months the bank increased its operating profit by 27 per cent.

Aer Lingus to enter Spanish market

BY TOM BURNS IN MADRID

AER LINGUS, the Irish airline, appears set to gain a toehold in the charter travel sector servicing Spain's Balearic islands following an agreement with Hispania, a small co-operative-owned air transport company based on the holiday island of Majorca.

Hispania said it had been negotiating with potential foreign partners, among them the British travel company Intasun and the West German group LTU, and had elected Aer Lingus as an associate to build up its charter flight business.

Hispania was created in 1983 and has so far been operating four Caravelles and a Boeing 737. The spokesman said the company had broken even in the past 12 months on a turnover of Pta 4.5bn ($28.13m).

The agreement with Aer Lingus, which has been approved by Hispania's board, has still to be put to the 85 members who form the company's co-operative owners. Under the terms of the agreement the Irish national airline will be laying out some Pta 200m for an initial 25 per cent share in Hispania, which could be expanded to a 50 per cent co-ownership.

Hispania was formed as a co-operative and is mostly owned by the pilots, mechanics and caterers of two local air companies which folded two years ago. It has a subcribed capital of Pta 200m, of which Pta 151m has been paid up.

The company said it had rejected Intasun and LTU in its search for a foreign partner, because it was believed a national air carrier could assure Hispania's future.

Ontario loses triple A credit rating

By Robert Gibbens in Montreal

THE PROVINCE of Ontario and its Hydropower agency have had their triple A credit rating reduced to a double A plus, by Standard & Poor's, the New York credit rating firm.

For years Ontario and Alberta have had the highest credit ratings for their US debt issues of any Canadian provinces. Alberta is now the only triple A-rated province.

Standard & Poor's attributed the downgrading to Ontario's recent budget deficit, lower federal transfer payments and the new Liberal Government's October 24 budget forecasting a C$2.2bn (US$1.6bn) deficit for 1985.

Mr David Peterson, Ontario's Premier, said the downgrading, though minor "is not a good thing" and could cost up to C$2m more in annual interest costs. But the Government expects to reduce the deficit in 1986.

Ontario and Ontario Hydro borrowed US$450m in 1984 but have not borrowed in the US this year. The province makes few public bond issues in Canada or the US.

US losses hobble CDC

BY OUR MONTREAL CORRESPONDENT

CANADA Development Corporation, the big resource and industrial holding company now minority owned by the federal Government, is still hobbled by the problems of Savin, the US photocopier maker.

CDC acquired control of Savin in 1982, putting up a total of C$105m (US$77m) for a 68 per cent interest. However, Savin has been a persistent loss-maker, mainly because of problems with new photocopier equipment.

In the first nine months of 1985 CDC reported net profit of C$52.9m, or 38 cents a share, against C$35.3m, or 3 cents, on revenues of C$2.8bn against C$2.6bn. The latest period includes a C$23m loss incurred by Savin.

The losses at Savin and write-offs the US company has made to resolve an accounting dispute with the Securities and Exchange Commission in Washington mean that CDC has now eliminated the carrying value of Savin from its books. CDC is no longer including Savin's results in its own accounts.

Canterra Energy, the oil and gas development arm of CDC, had a nine-month net profit of C$57m, or 73 cents a share, against C$27.8m, or 37 cents, a year earlier on revenues of C$592m against C$478m.

Dome warns on lower prices

By Our Montreal Correspondent

DOME PETROLEUM, the Canadian energy group, continued on the path to recovery in the third quarter but warned that lower oil and gas prices had introduced new uncertainties to the outlook.

Third-quarter net profit was C$19m (US$14m), or 5 cents a share, on revenues of C$609m against a loss of C$4m on revenues of C$580m a year earlier. Operating results were strong, helped by lower interest costs.

There was a loss for the first nine months of C$2m, against a loss of C$105m a year earlier. Revenues were C$1.77bn, unchanged from 1984.

Nova slips at nine months

By Our Montreal Correspondent

NOVA, the west Canadian energy and industrial group, suffered a fall in earnings in the first nine months.

Petroleum and manufacturing subsidiaries performed better, and interest costs declined after a debt restructuring, but petrochemical prices in North America were lower.

Net profit was C$94.8m (US$69.7m), or 24 cents a share, against C$111.2m, or 43 cents, a year earlier, excluding special items in both periods. Revenues were C$2.5bn against C$2.9bn.

UPI takeover bid 'accepted'

NEW YORK – A group headed by Mr Mario Vazquez Rana of Mexico City submitted a bid of over $20m cash that has been accepted by the management of United Press International, the US newsagency, a lawyer for Mr Rana claimed, AP-DJ reports.

The bid was said to be subject to a federal bankruptcy judge's approval before the transaction could be completed.

BASE LENDING RATES

ABN Bank	11½%	■ Guinness Mahon	11½%
Allied Dunbar & Co.	11½%	■ Hambros Bank	11½%
Allied Irish Bank	11½%	Heritable & Gen. Trust	11½%
American Express Bk.	11½%	■ Hill Samuel	§11½%
Henry Ansbacher	11½%	C. Hoare & Co.	11½%
Amro Bank	11½%	Hongkong & Shanghai	11½%
Associates Cap. Corp.	12 %	Johnson Matthey Bkrs.	11½%
Banco de Bilbao	11½%	Knowsley & Co. Ltd.	12 %
Bank Hapoalim	11½%	Lloyds Bank	11½%
Bank Leumi (UK)	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans. Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Choulartons**		Royal Trust Co. Canada	11½%
Citibank NA	11½%	Standard Chartered	‖11½%
Citibank Savings	¶12½%	TCB	11½%
City Merchants Bank	11½%	Trustee Savings Bank	11½%
Clydesdale Bank	11½%	United Bank of Kuwait	11½%
C. E. Coates & Co. Ltd.	12 %	United Mizrahi Bank	11½%
Comm. Bk. N. East	11½%	Westpac Banking Corp.	11½%
Consolidated Credits	11½%	Whiteaway Laidlaw	12 %
Continental Trust Ltd.	11½%	Yorkshire Bank	11½%
Co-operative Bank	*11½%		
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Sec. Ltd.	12½%		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptrs.	12½%		
Grindlays Bank	‡11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8.00% gross.
‖ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand dep. 8%. Mortgage 13%.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE NOVEMBER 8 1985

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	10.560	−0.650	12.324	10.558
Canadian Dollar	11.488	−1.202	13.258	11.488
Euroguilder	6.232	1.134	7.879	6.131
Euro Currency Unit	9.352	−0.412	10.545	9.189
Sterling	10.941	−0.598	11.600	10.763
Deutschemark	7.084	−1.731	7.860	6.854

Bank J. Vontobel & Co Ltd, Zurich - Telex: 812744 JVZ CH

UK COMPANY NEWS

Tesco rises 46% to over £44m

Tesco, the multiple retailing group, yesterday matched City expectations with a near 46 per cent rise to £44.2m in first half taxable profits.

The result, which follows in the wake of J. Sainsbury's 23 per cent increase, was initially accompanied by a 5p rise in the share price to 303p, a high for 1985, but finished the day at 295p.

The improvement was almost split equally between higher operating profits and a £6.6m swing to £5.7m in interest receivable, neglecting an accountancy change.

Tesco, traditionally the lowest net margin maker among the large supermarket chains, raised turnover by over 12 per cent from £1.4bn to £1.57bn and operating profits by over 23 per cent from £31.2m to £38.5m.

The board, headed by its recently appointed chairman, Mr Ian MacLaurin, says that business has grown steadily and turnover during the period has been satisfactory, representing a volume gain of about 7 per cent.

Implementation of improved central distribution systems has continued, as have other productivity initiatives, which benefit net margin. Competition within the industry remains vigorous, says Tesco.

Nine new stores together with one major extension have been opened to date, increasing selling area by 233,000 sq ft. These together with eight further stores to opened during the financial year, will increase selling area by 520,000 sq ft.

Eleven smaller stores, representing 155,000 sq ft, have been closed.

Tesco says that the 1986-87 store opening programme will continue at the current substantial level.

The cost of funding the store expansion programme now impacts substantially on results on ordinary trading activities which has led the company to capitalise interest (net of tax) on borrowings specifically related to financing acquisition and development of new stores.

This, Tesco explains, increased pre-tax profits for the 24 weeks to August 10 1985 by £3.5m and will have an increasing effect in the future. In addition, the proceeds of the rights issue made in April increased net interest receivable by around £2.9m.

Without both these benefits, there would have been a £0.7m interest charge for the period.

Shareholders will receive a higher interim dividend of 2.1p, against 1.75p, which is comfortably covered by earnings per share of 6.96p (5.33p) before taking account of property disposal profits.

Mr Ian MacLaurin, chairman of Tesco, outside one of the company's superstores.

Tax took £18m (£12m) leaving the net result ahead from £18.3m to £26.2m which was further increased by property disposal profits of £2.5m (£3.4m).

After the dividend, which absorbs £8.8m (£5.9m), retained profits are shown £4.3m higher at £20.1m.

In the 1984-85 year Tesco achieved taxable profits of £81.3m on turnover of £3.18bn and paid a final dividend of 3.1p.

See Lex

HB Electronic suspended on acquisition talks

By David Goodhart

HB Electronic Components, USM-listed distributor of passive components, was suspended yesterday at 46p pending the outcome of talks over the possible acquisition of Axiom Electronics, part of the Coats Patons Group.

Axiom has never been in the mainstream of Coats Patons, a £1bn plus turnover world leader in threads and knitting yarns. It is a distributor of active electronic components — which in 1984 incurred a small loss after interest on a turnover of just under £3m.

Mr Mike Davies, managing director of HB, said that no further details of the talks could be given but he added: "It shows we are certainly on the look-out for acquisitions."

If the deal went through it would nearly double the size of HB—which to end of December 1984 made pre-tax profits of £167,000 on turnover of £4.75m. The company is 83 per cent owned by W. Canning.

It appears that the suspension—at 10.10 yesterday morning—became inevitable after the nearly 30 per cent increase in the company's share price since last Friday.

Unilever

Brooke Bond has dispatched to stockholders of the outstanding 7 per cent, 7½ per cent and 5½ per cent loan stock 2203-08 proposals for the exchange of their stock for new Unilever loan stocks 1991-2006 on a £1 for £1 basis.

Battle looms at Cooper Inds

BY DAVID GOODHART

Cooper Industries, a West Midlands precision engineer, faces a potentially acrimonious battle for control following the sale by the Cooper family of its 35 per cent stake at the end of October.

Mr Alex Johnstone, a 75-year-old Scottish accountant and chairman of Kennedy Smale, has acquired 21 per cent of the company but has been refused the chairmanship.

Mr Johnstone said yesterday that he did not want to comment in detail on his plans: "I would rather keep my powder dry. I have various ideas and I am watching events. I do not wish to make any waves but watch this space."

Mr Julian Bryant, of merchant bank Robert Fleming, which is acting for Cooper Industries, retorted that Mr Johnstone should "put up or shut up." Mr Bryant alleged that Mr Johnstone was claiming that with unspecified support he now controlled the company.

Mr Roy Kettle, a managing director of Tarmac who was appointed non-executive chairman of Cooper Industries on November 4, said that the board had considered offering Mr Johnstone a non-executive directorship "but he insisted that he would not accept an appointment unless it was as chairman and chief executive."

Mr Kettle continued: "In these circumstances, because he would not give any specific information regarding his intentions for the company the board felt unable to agree to his request."

Cooper's performance has been improving over the past two years. For the year to the end of January it produced pre-tax profits of £644,000 on turnover of £24.13m. The half year figure was up from £312,000 in 1984 to £473,000 this year.

Mr Kettle has written to shareholders announcing his own appointment and that of Mr Maurice Davies, managing director of Redman Fisher, as an executive director. He also explained the recent buying and selling of stakes in the company.

He summed up by saying that the board's corporate plan is to continue the improving performance of the group and make further acquisitions. "I have no doubt that the company has an exciting and profitable future," he concluded.

The company could, however, now face a bitter take-over battle.

Cooper was unchanged at 28p—Kennedy Smale rose 3p to 123p.

Carlton Comm. in £2.6m acquisition

BY CHARLES BATCHELOR

Carlton Communications, the television services company which was thwarted last month in a bid for Thames Television, has paid £2.6m cash for Television International Operations, part of Rank Video Services.

TVI made a trading profit of £7,000 on turnover of £4.9m in the year ended October 1984. Management accounts for the year ended October 1985 indicate a trading profit of £100,000 on turnover of £5.9m but the company faces an exceptional charge of £380,000. Net assets were worth £2.6m at the year-end.

The exceptional charge arose from a full provision for bad debts principally incurred through the closure of Tye Entertainment Channel (TEN).

Mr Michael Green, Carlton's chairman, said the company planned to invest £2m in TVI.

Carlton sees TVI as a means of expanding its presence in the satellite transmission field. TVI provides services for Mr Rupert Murdoch's Sky Channel, broadcast by cable in Europe, and Mr Robert Maxwell's Mirrorvision. The ITV companies also plan to launch a cable channel which would use satellite transmission.

TVI supplies studio and production facilities to these networks and the hardware for transmitting programmes.

Carlton last month announced plans to sell its publishing interests including a number of share tip-sheets to Barham Group.

KIO pays £108m for 21% stake in Exco

By Charles Batchelor

The Kuwait Investment Office, the London-based organisation which handles much of Kuwait's oil wealth, emerged yesterday as the surprise purchaser of the 21.4 per cent stake in Exco International, the money broking group, held by British & Commonwealth Shipping. The KIO paid £108m for the shares.

Speculation has surrounded B & C's holding in Exco in recent weeks following the departure of Mr John Gunn, Exco's chief executive, for an executive directorship with B & C. One suggestion was that B & C would itself launch a takeover bid for the rest of Exco.

B & C sold its 50.1m shares in Exco through brokers de Zoete & Bevan, at 215p each, a discount of 10p to Exco's opening price yesterday. Exco's shares later rose to 237p but fell back to close at 217p, a fall of 8p on the day.

The sale of the Exco shares at a discount to the market price surprised City analysts. Normally a large holding in a company would be sold at a premium since it could give the buyer a launching pad for a full takeover bid.

The KIO is understood not to have any bid intentions towards Exco but sees the shares as a good investment. Neither the KIO nor B & C would comment yesterday but analysts said they believed the KIO would have undertaken to hold the Exco shares for the long term.

The share sale may be the first in a series of deals by which B & C and Exco unravel their joint interests, principally Gartmore Investment Management and London Forfaiting Company. B & C has 49.9 per cent of Gartmore and 30 per cent of London Forfaiting.

B & C is understood not to have wished to be seen as auctioning off its Exco holding to a predator. This would help explain its acceptance of a lower-than-market price.

Mr Gunn's departure from Exco on October 31 reduced that company's attractiveness to many in the City. Mr Gunn was largely responsible for creating Exco in 1979 from Astley and Pearce, a small money broker, with financial help from B and C.

Exco went on to become one of the largest UK financial service companies with a market value of £440m, employing 1,700 people and making Mr Gunn a millionaire several times over.

Exco increased pre-tax profits to £49.4m in the first six months of 1985 from £33.2m previously. Turnover rose to £129m from £85m. In July it sold one of its most attractive investments, a 52 per cent holding in Telerate, the financial information group, for £346m to two US media groups.

The sale of the Exco holding to the KIO will mean its directors need no longer fear an immediate bid for the company. But in the longer term this large shareholding could still form the basis of a takeover bid by a third party, one analyst said.

● In a separate deal announced yesterday St Mary Axe Holdings, the investment holding arm of B & C, and Gartmore Information and Financial Trust, bought a 16.5 per cent holding in Abaco Investments, a small quoted financial services and property company. Mr Gunn will become a non-executive director of Abaco.

St Mary Axe bought 9.67m Abaco shares while Gartmore bought 6.25m. These represented the holding previously owned by Amec Investments, part of Amec the building and property company.

Abaco was created in 1983 from Greencoat Properties, an unsuccessful property group.

Pearson expands oil services

Cameo, part of the oil and oil services sector of Pearson, has acquired the operating assets of Coil Tubing and Nitrogen Services, Inc. for $8.5m cash (nearly £6m).

Coil Tubing specialises in workover services for offshore and onshore oil and gas wells. It will become a new division of Cameo and continue to operate from Louisiana and California.

CU recovers more lost ground in third quarter

Commercial Union, one of Britain's leading composite insurance groups, has made up more of the ground it lost in the early part of the year with a £8.2m taxable profit for the third quarter.

The result, together with the second quarter profit of £5.4m, has cut losses for the nine months to £3.9m compared with £30.8m for the corresponding period in 1984.

CU's business, excluding the US, achieved a third quarter profit of £32.8m and has shown progressive improvements for each quarter of 1985.

In contrast, the US has incurred heavy losses which now stand at £80.2m for the nine months following a £24.6m loss in the third quarter.

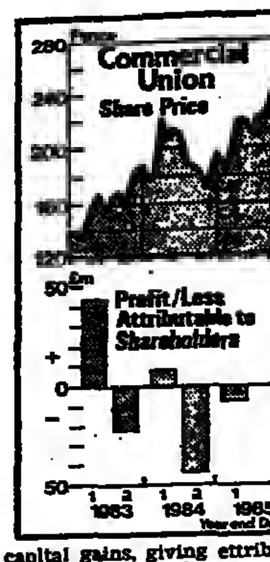
Total non-life premium income for the nine months to end-September fell by more than 17 per cent from £1.6bn to £1.32bn. The underlying fal allowing for exchange rate fluctuations was 9 per cent, with the planned reduction of 27 per cent in premium income in the US offset by increases in other territories.

Mr Cecil Harris, the chief executive, said that by the end of 1988 the US would account for only 30 per cent of premium income compared with 40 per cent at the end of 1984, while the UK would account for 40 per cent this year. This change, he claimed, would provide greater stability for profitability.

Shareholders' funds fell slightly to £1.03bn, while the group's solvency margin rose to 59.3 per cent at the end of September.

Total underwriting losses fell in the nine months from £282.5m to £235.4m and Life profits rose by £1.9m to £48.6m. But associated company earnings dropped from £8.9m to £5.7m.

Nearly trebled tax of £27.5m was offset by £39.8m of realised capital gains, giving attributable profits for the nine months to £8.2m compared with a £1.3m loss.



Losses in the US have not reduced as much as hoped with the third quarter hit by US$10m of costs for two hurricanes.

CU's strengthening of loss reserves in the US will continue in the final quarter, and Mr Harris warned not to expect a dramatic improvement in US results.

However, several positive factors are coming from the US: rate increases averaging 30 per cent are being obtained on commercial business, with 8 per cent increases on personal lines; an expense control programme will be achieved in 1985, with staff numbers and agencies being significantly reduced; and exposure will be reduced in adverse geographical areas, because of political, climatic, legal and natural hazard reasons.

The US recovery, however, is still being restricted by prior year claims.

A strong recovery has taken place in the UK where a third-quarter, pre-tax profit of £18.4m was earned to add to the £17m and £3m profit earned in the second and third quarters respectively. Premium growth of 9.9 per cent in the third quarter has resulted in 8 per cent growth over the nine months. Underwriting losses over the nine months have halved from £70.5m to £35.6m.

The results reflect rate increases in commercial and personal business. Further increases in house-building rates up 12½ per cent from next February and 8 per cent on motor rates from January indicate aims to obtain an adequate rating structure on both personal and commercial business.

Elsewhere, Canadian results were good in a difficult market. Premium income rose 10.3 per cent in the third quarter resulting in a 2.7 per cent growth for the nine months from C$173.9m to C$178.7m. Underwriting losses were static in the third quarter, leaving losses over the nine month period 19 per cent higher at C$22.4m. Rate increases in automobile business were made in October and more are due next year.

Profitability has not been maintained in the Netherlands because of more severe fire losses and results from the rest of the world were on average much better.

Total life premium income rose more than 13 per cent over the nine months from £342.6m to £388.8m. CU is continuing to develop the life side with the establishment of a life operation in Spain, to go alongside already established life operations in France and Belgium.

See Lex

General Accident in the black

General Accident has moved back into the black at the nine-month stage following a £12.7m taxable profit, against £6.8m, for the thir dquarter to end-September 1985.

The result has overturned the small loss shown for the first half, giving a profit of £11.2m, compared with £4.4m, for the nine months.

Mr Buchan Marshall, chief general manager of this leading composite insurance group, said that the impact of hurricane Gloria in the US "eliminated the prospect of a relatively acceptable result for the third quarter but, in the large part, the underlying trends in our major territories are now in the right direction."

However, he said that the important motor accounts in both the UK and the US would require "further and substantial correction in the light of ever escalating claims costs."

Worldwide underwriting losses in the third quarter were reduced from £60.8m to £56.2m leaving the nine-month total £5.1m lower at £186.2m.

Despite losses of £10m on hurricane Gloria, the underwriting improvement in the US continued through the third quarter to produce a deficit for the nine months £18.8m lower at £85m.

However, UK underwriting losses for the nine months were nearly 25 per cent higher at £58.8m due entirely to adverse experience in the large motor account.

Losses in the non-UK/US markets for the nine months were up from £40.4m to £42.6m following an unchanged loss in the third quarter.

Mr Marshall said that in sterling terms investment earnings for the nine months were virtually unchanged at £192.4m (£192.5m), but reflected an underlying growth rate of 13.5 per cent. Amortisation of deep discount bonds in the US would have added £8.6m income (£7.4m).

General premiums maintained the strong underlying growth reported at the half year and increased at the nine months by 14.7 per cent excluding currency movements. This has resulted largely from "successful action to strengthen rates in all territories and has been achieved without a corresponding increase in exposure."

Attributable profits for the nine months were £15.4m (£4.7m) after tax of £5.8m (£1.3m).

Currency solvency margin worldwide is 81.2 per cent compared with 78.2 per cent at the end of September and similarly net asset value per 25p share is 826p against 794p.

There was a £2.1m increase to £6.5m in long-term life business profits at the nine months stage which included a contribution from the new subsidiary in Puerto Rico.

New annual premiums in the UK were £19.7m (£21.9m), but single premium business increased from £38.6m to £[illegible].

On the underwriting side in the UK the company said that results in all major classes remained influenced by weather losses in the opening three months of 1985.

In the motor account, third quarter losses were substantially higher at £9.3m (£2m) giving a nine months deficit of £18.1m (breakeven).

Outside the UK and US, losses in Canada were reduced from £21.5m to £19.8m for the nine months, but Australia produced a loss £1m higher at £2.7m. EEC territories showed a marginal deterioration with losses of £11.4m (£10.7m).

See Lex

Plantation Trust's net assets 78p

The Plantation Trust Company, created in March 1985 to exploit investment opportunities in the plantation sector worldwide, has announced pre-tax profits of £112,207 for the six months to end-September. At that date it had a net asset value of 77.79p per share.

Dividends and interest received amounted to £304,543. Administrative expenses took £55,696, and interest payable was £136,640. After a tax charge of £40,000, net profits totalled £72,207 for earnings of 1.031p per share.

When the company began investing in March 1985 Plantation shares were a relatively buoyant sector of the stock market. During the first half year of operation, however, prices of palm oil, tea and cotton, among soft commodities, eased substantially and sterling strengthened.

The company therefore exercised caution, as a result of which just under 46 per cent of its total net assets at market value on September 30 had been retained in fixed interest sections, principally short gilts.

The retention of nearly half of its net assets in fixed interest, at this stage of its development, has enabled the company to mitigate the consequences of the fall in most plantation share prices which has taken place.

These market conditions have enabled tha company to make progress in building up certain shareholdings which would probably otherwise have proved impossible to buy in size.

DIVIDENDS ANNOUNCED

Atlantic Computers	1.5	June 10	—	—	—
Allied Irish ......int	4.5	Dec. 17	4.5	—	9.5
External Invest. ......int	4	—	5.5	—‖	12
A. Goldberg ......int	1	Feb. 18	0.5	—	—
Gt. Portland Est. ...†int	2**	Jan. 28	1	—	6
Land Securities ......int	2.9	Dec. 16	2.6	—	8.15
New Court Tst.	10.13	—	10.13	14.25	14.25
Redfearn	2	Feb. 28	0.1	2	0.1
Regalian Props. ......int	1.25	Jan. 6	0.85	—	3.25
Scot. Nat. Trust	3.35	Dec. 18	2.95	4.85	4.25
Smith Industries	3	Jan. 2	2.3¶	4.5	3.5¶
Tesco ......int	2.1	Feb. 21	1.75	—	4.85
Velor ......int	1.36†	Jan. 17	1.24	—	4.6
Wade Potteries	2	Jan. 8	1.9	3	2.25

Dividends shown pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ After adjusting for sub division and scrip issue. ‖ At least 13.5p forecast. ** To reduce disparity.

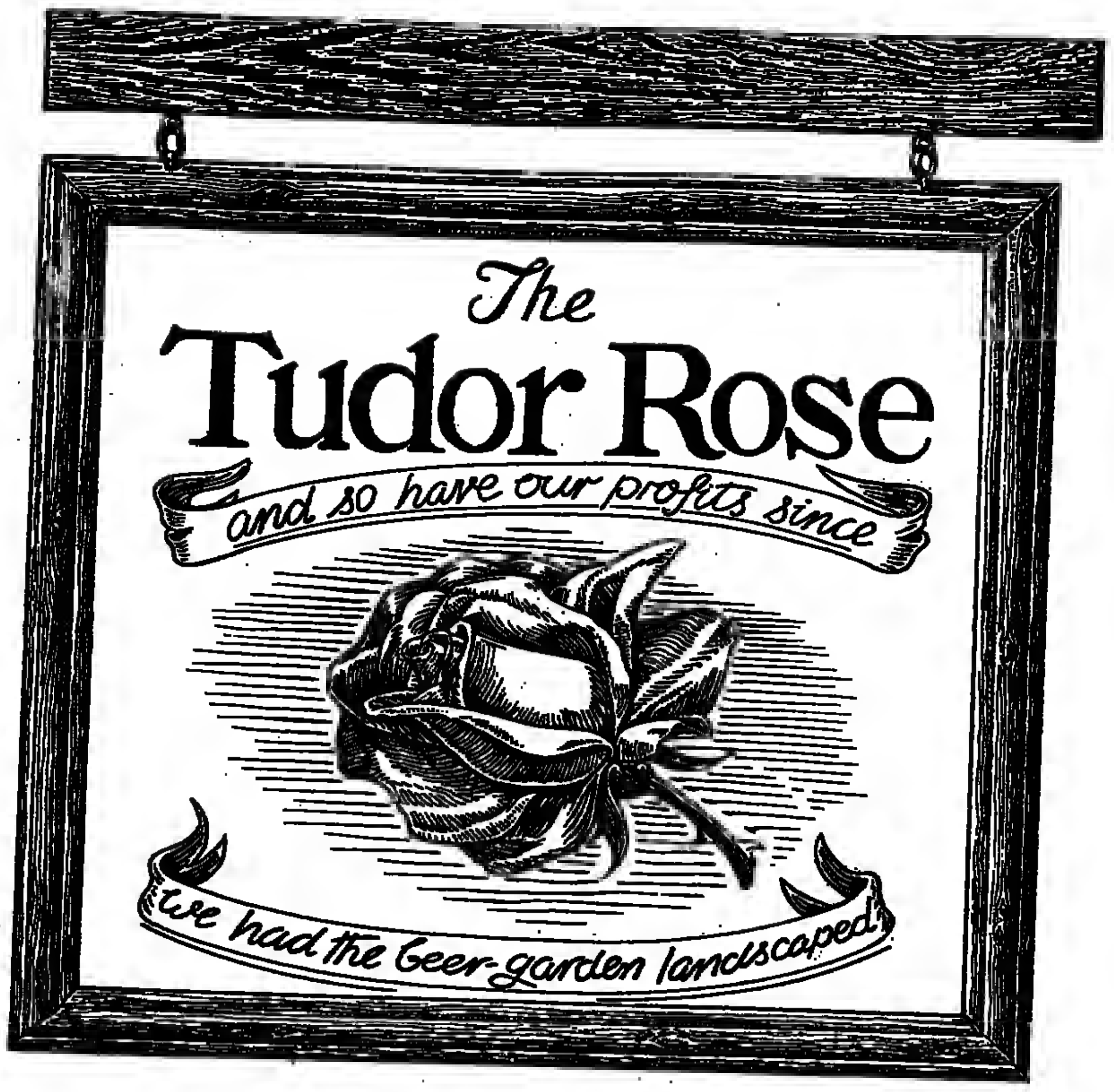
Public Works Loan Board rates

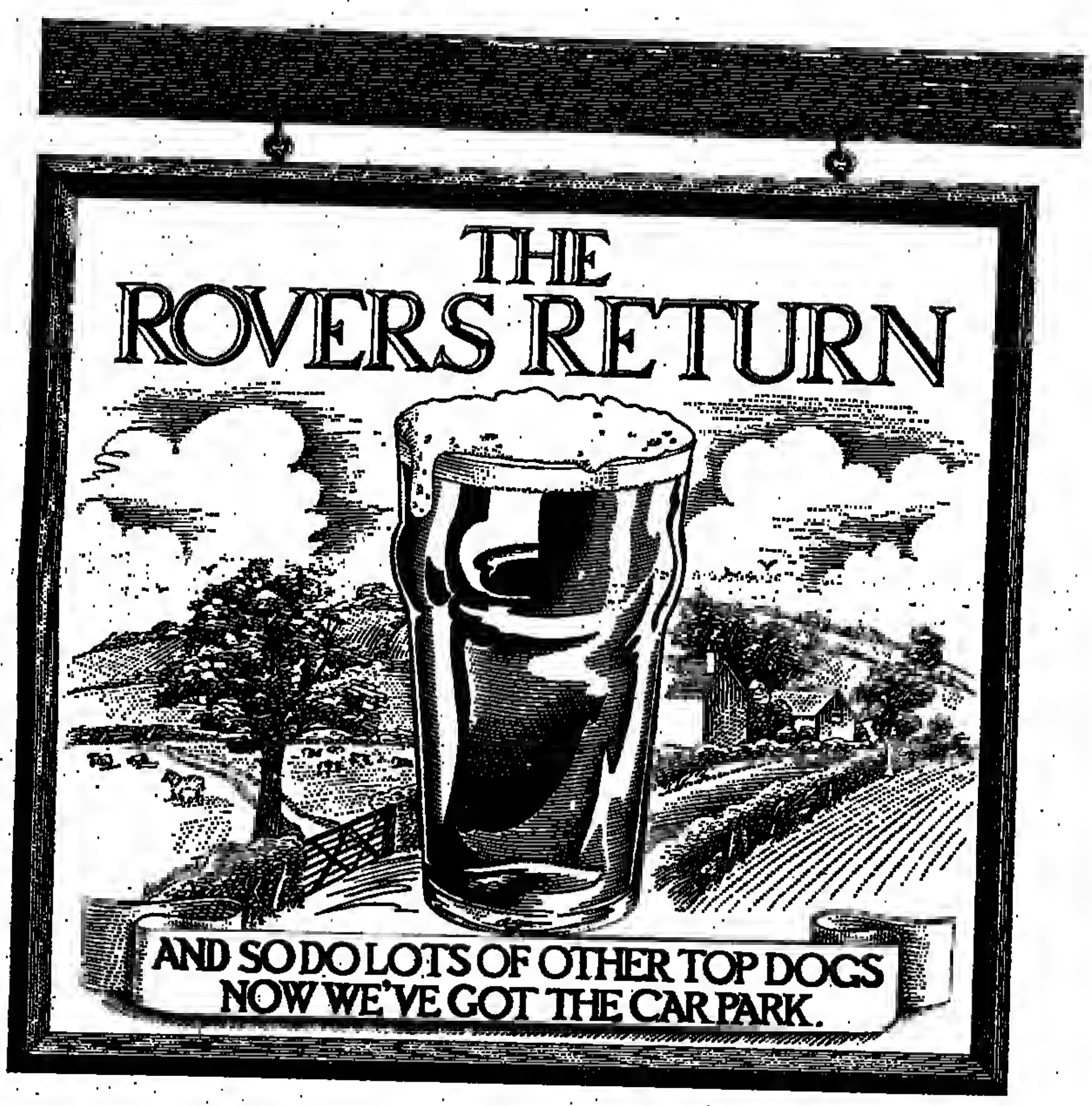
Effective November 13

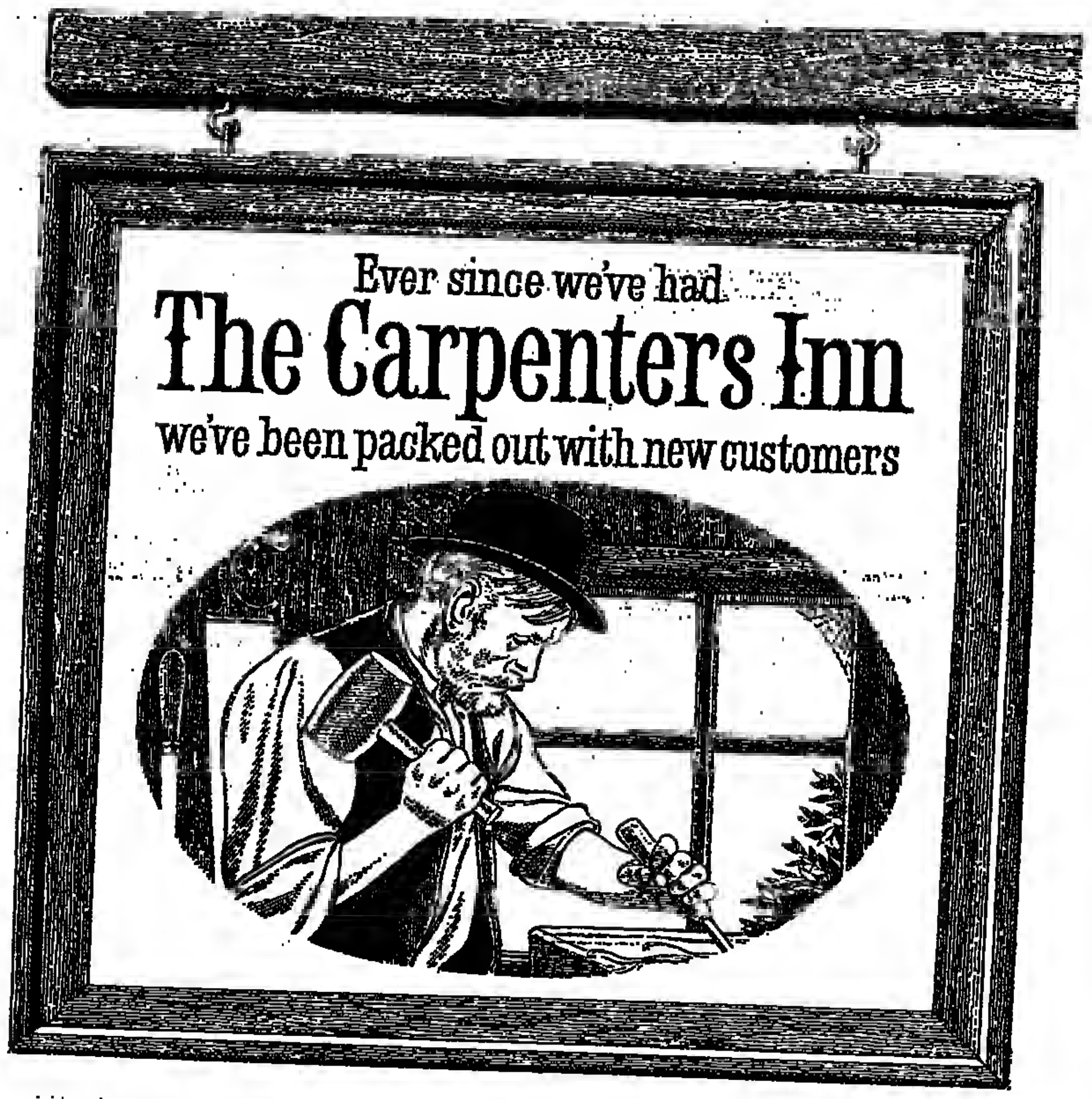
Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
1	—	—	11[illegible]	—	—	12
Over 1, up to 2	11[illegible]	11[illegible]	11	12[illegible]	12[illegible]	11[illegible]
Over 2, up to 3	11[illegible]	11[illegible]	10[illegible]	12[illegible]	12[illegible]	11[illegible]
Over 3, up to 4	11	11	10[illegible]	12[illegible]	12[illegible]	11[illegible]
Over 4, up to 5	11	10[illegible]	10[illegible]	12	11[illegible]	11[illegible]
Over 5, up to 6	10[illegible]	10[illegible]	10[illegible]	11[illegible]	11[illegible]	11[illegible]
Over 6, up to 7	10[illegible]	10[illegible]	11	11[illegible]	11[illegible]	11[illegible]
Over 7, up to 8	10[illegible]	10[illegible]	11	11[illegible]	11[illegible]	11[illegible]
Over 8, up to 9	10[illegible]	10[illegible]	11	11[illegible]	11[illegible]	11[illegible]
Over 9, up to 10	10[illegible]	10[illegible]	11	11[illegible]	11[illegible]	11[illegible]
Over 10, up to 15	11	11	10[illegible]	11[illegible]	11[illegible]	11[illegible]
Over 15, up to 25	10[illegible]	10[illegible]	10[illegible]	11[illegible]	11[illegible]	11
Over 25	10[illegible]	10[illegible]	10[illegible]	11[illegible]	11	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

What's happened to our pubs since we ploughed £275* million into them?







No small beer.

But then times are changing and so are Allied-Lyons. That's why many of our 7,000 pubs have had more than just a face lift. Five years ago we saw the writing on the wall. The public wanted more from their public houses.

More modernisation but less plastic. More traditional pubs. More facilities. So in 1980 we started to give them what they wanted.

Our first improvements soon paid dividends (in fact many of them ahead of schedule).

Since then we have ploughed more and more into our pubs and the returns have grown accordingly.

All the signs show it could be one of the best investments we've ever made.

Allied-Lyons

In the five years up to February 1985, our pre-tax profit rose from £112m to £219m

*Refurbishment and improvement expenditure in the latest five financial years.

UK COMPANY NEWS

Smiths Industries rises 32% to nearly £48m

AIDED BY a strong performance from the North American activities, Smiths Industries has increased pre-tax profits by 31.6 per cent from £36.16m to £47.58m in the year ended August 3 1985.

For the current year the directors expect further significant progress. They say the group is in a strong trading and financial position. Cash improved by £26m to give net cash balances of £6m at August 3.

Earnings for the year were up from 10.2p to 12.9p, and shareholders receive an increase of 1p net in their dividend — the final is 3p for a total of 4.5p.

The group has written down the value of the investment in Lucas Electrical Electronics & Systems to a nominal amount, because of the trading difficulties being experienced by that company.

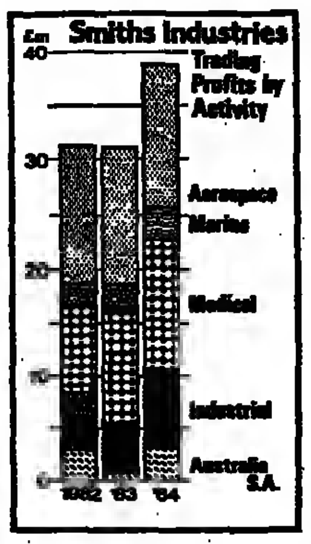
Total sales for the year were £383m (£388.65m). The trading profit from continuing businesses moved ahead from £37.95m to £48.55m, and discontinuing activities accounted for £332,000 (£1.28m).

The directors report that areospace and defence profits increased from £13.33m to £17.45m at the trading level. This was aided by the recovery in the civil aviation market and strong performances by overseas companies. In North America the divisioo had its best ever year.

A £2.8m increase to £14.9m in medical systems came principally from UK exports, European subsidiaries and a full year's contribution from Downs Surgical which was well up to expectations. In North America there was an improvement against the background of a market edjusting to the new methods ef reimbursements to bospitals under US government medicare programmes.

On the industrial side profits rose by £3.9m to £14.15m, with most businesses contributing to their second year of significant growth.

A geographical split of the profits of continuing businesses shows UK £29.39m (£22.79m), North America £15.74m (£13.15m) on the conversion



of $21.56m ($16.15m). Australia £2.23m (£2.34m) on converting A$4.26m ($3.67m), and ethers £1.19m (£665,000).

The policy of converting overseas results at period-end rates has been maintained and results would have been £800,000 higher had exchange rates remained constant.

Withdrawal from the supply of original equipment to the metor industry world-wide was completed by the sale of all the company's Sonth African interests, and the sale by the Australian company of its majer holding in SIDK Pty. Remaining ectivities in Australia improved their results, but this was not so pronounced on conversion because of the sharp fall of the Australia dollar in the latter part of the year.

Interest charges in the year were cut from £3.06m to £1.31m, reflecting the benefits of good cash performances in the UK, US, and Australia. After tax £20m (£14.7m) and minorities £72,000 (£201,000), the attribntable profit eomes through at £27.5m (£21.26m).

Extraordinary charges this year come to £5.95m (£2.5m) and mainly represent the writing down of the LEES investment.

Research and development expenditure was maintained at the high level of the previous year, particularly that related to aerospace and defence.

● comment

The excellent performance of Smiths Industries clearly justifies the shares' premium rating. With the minor exception of its slightly ill-fitting Australian outpost, where currency turned higher local profits into a sterling decline, Smiths has produced strong figures throughont its comprehensively rebalanced business. Overcoming an ordering hiatus in the US, when hospital reimbursement spending was capped at the middle of the year, Smiths' medical divisiou has made strong progress overall; and the remaining scope for growth from the shift towards disposable products is headroom for the future. Defence and aerospace is protected by a long erderbook (most encouragingly by the success of the Boeing 737 programme) and should produce real annual growth of 15 per cent fer the next three years or so. It may nonetheless be hard for Smiths to do more than reap the benefits of its underlying sales growth; virtually all the past rationalisation has now bounced inte current profit. A multiple of around 15 times 1986 earnings is well above the market. Though the risks are limited by strong orders and positive cash flow, at 241p, the sbares may be too far ahead to be worth the chasing.

German Securities

Only half of the shares on offer to the pnblic in the German Securities Investment Trust were taken up by the time the issue closed yesterday afternoon. Applications were recieved for 7.53m shares out ef the total 10m on offer but that included 5m shares that had already been directde into firm hands before the prospectus was published.

Distillers starts to erect bid defences

By Martin Dickson

Distillers, the Scotch whisky group under threat of a hostile £1.5bn takeover bid from Argyll, the supermarkets group, is bringing forward news of its interim results by a month as a defensive tactic.

Distillers said yesterday it would be announcing the six-month figures on November 21, instead of around December 20. Mr Bill Spengler, the new deputy chairman, said: "We felt it would be in our best interests to announce them at this time."

Argyll has been told by the Takeover Panel that it cannot launch a bid for Distillers until at least December 2.

City Analysts said they expected Distillers to announce reasonably good interim figures, which could help bolster the share price ahead of any offer. Distillers shares have risen sharply since rumours of an Argyll bid first began to eirculate. In early August they stood around 320p, and last night they closed at 476p, np 8p on the day.

Distillers bad pre-tax profits of £80.5m in the first six months ef last year. The figure would bave been £8m higher if industrial action had not pushed into the second half some large whisky export shipments.

Argyll announced in early September that it bad no present intention of bidding for Distillers, and the Takeover Panel said this statement precluded it making any bid for between three and four months. Argyll has asked for a relaxation of the ruling, allowing it to make an early bid, but the Panel bas refused.

Low & Bonar

Low & Bonar, which is making a £7.8m takeover bid for Cole Group, the plastics and electronics company, said yesterday that Cole's businesses would form a "natural complement" to its own.

In its formal offer document, Low said its 260p a share cash offer was generous, representing a 30 per ceot premium on a bid fer Cole from Hartons Group earlier this year, and a 113 per cent premium on the share price in April, before Robert Moss launched a bid for Cole.

Cole's shares closed unchanged last night at 295p.

IN BRIEF

EXTERNAL INVESTMENT Trust is raising interim dividend to 6p net (5.5p) and forecast final of at least 7.5p fer year ended March 31 1986 (6.5p). For half year ended September 30 1985 gross income came to £962,000 (£1.01m) including investment income £713,000 (£890,000). Expenses and interest £241,000 (£424,000) and tax £240,000 (£203,000), leaving net revenne £481,000 (£384,000) for earnings of 7.28p (5.82p) basic and 7.72p (6.33p) dilnted. At September 30 net asset value per share 496.2p (473.6p) and diluted 462.6p (472.6p).

Allied Irish Banks rises 9% in spite of heavy bad debt toll

Allied Irish Banks made pre-tax profits of I£44.1m (£37m) in the six months ending September 30 1985, a 9 per cent rise over the same period of 1984, in spite of heavy debt charges in the Irish property and construction sector.

Group operating profits were down from I£35.6m to I£34.6m but overall profits were boosted by I£8.8m from its US affiliate, First Maryland Bancorp, a 38 per cent rise over the half-year to March 30 1985.

Mr Gerry Scanlon, chief executive, said he was satisfied with the results and said there was no reason to change the forecasts for the whole year of pre-tax profits of between I£84m and I£85m. The directors declared an unchanged interim divided of I£0.045, worth 6.2p to institutional investors.

The bank said: "In the Republic of Ireland the incidence of bad debts remains high, good lending opportunities are scarce and the recessionary climate will continue to depress profitability."

Mr Scanlon said the current cost to the AIB of the Government rescue this year of its insurance company, Insurance Corporation of Ireland, was abeut I£1m a year. The bank, which wrote off I£90m when the company collapsed and was taken over by the Government in March, lent the Central Bank I£30m towards the rescue package on which the Central Bank pays interest at 3.5 per cent below prevailing rates.

AIB reported substantially higher tax charges of I£14m against I£10.7m, mainly due to a decline in tax-based lending. This was particularly marked in the UK where the run-down of capital allowances and high Irish taxes made AIB uncompetitive.

Bed debt provisions were I£22.1m compared with I£15m. The heaviest burden fell on Allied Irish Finance which recorded I£4.7m in bed debts, mainly through companies in up-market Irish housing. A similar picture for bad debts was expected in the second half.

Mr Scanlon said AIB had an "exceptionally amicable relationship" with First Maryland. Its share in it will rise from 47 per cent at the end of this year to 51 per cent at the eod of 1987. AIB had the option of merging or acquiring the bank, he said. It did not intend to sell but this eould not be ruled ont if an irresistible offer was made.

● comment

The Irish Republic's recession is biting inte property values even more sharply than expected, leading Allied Irish Banks to have to increase by I£6m its targeted provisioos level to cover the dewo valuing of securities pledged for loans. While the worst of the Insurance Corporation of Ireland problem is new being AIB, the penalty te be paid te the Central Bank fer the rescue is a fixed £5.5m (charged against operating profits) for the next 15 years. The sweetener on this is that the amount is fully allowable fer tax — so below the line a credit of £2.75m will take some of the sting eway. First Maryland is going very well, although the tax position in the US mekes comparisons difficult. With $14m to come from the first nine menths at First Maryland, AIB can be very happy with its growing stake. The dividend is up for institutions and static fer private shareholders thaoks to the Irish tax regime. As the payout is not costing the baok any extra, the retained profits can go into reserves to replace the I£22.2m net taken out to cover the insurance company collapse last year. The forecast of I£85m pre-tax bas the shares at 165p on a prospective multiple of 6, which seems a little on the low side given the Bank ef Irelands' rating.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1984							
4th qtr.	103.4	101.2	105	112.7	164.0	3,103	153.9
1985							
1st qtr.	106.0	102.7	103	113.3	133.9	3,138	153.6
2nd qtr.	108.0	103.1	101	115.0	141.4	3,174	161.7
3rd qtr.				116.4	145.2	3,179	164.4
February	105.3	102.4	108	112.7	130.2	3,144	153.1
March	107.1	103.5	101	113.9	136.5	3,147	156.1
April	107.8	102.9	97	113.5	140.3	3,176	161.0
May	108.2	102.4	98	115.3	142.0	3,177	160.7
June	107.9	104.0	116	116.0	141.8	3,169	163.4
July	106.3	101.4	97	116.0	146.9	3,175	163.0
August	106.8	102.9		117.5	145.4	3,183	162.9
September				115.9	143.7	3,179	167.3
October				114.5		3,175	172.6

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
3rd qtr.	102.0	97.7	104.6	100.2	110.8	98.2	16.2
4th qtr.	102.5	98.3	106.1	99.7	107.3	99.4	13.3
1985							
1st qtr.	102.8	102.2	109.2	103.2	112.1	98.3	13.8
2nd qtr.	102.2	102.8	113.2	103.6	121.6	98.5	18.6
February	102.7	101.2	108.2	103.0	111.0	99.0	13.2
March	103.1	104.0	110.4	104.0	115.0	100.0	16.6
April	101.9	102.2	113.4	103.0	120.0	98.0	17.9
May	101.3	102.4	114.1	103.0	122.0	97.0	19.9
June	103.4	103.7	112.1	105.0	123.0	100.0	17.9
July	100.5	100.7	111.7	101.0	122.0	98.0	18.4
August	102.3	102.6	110.9	104.0	124.0	99.0	15.5
September							18.4

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
4th qtr.	119.7	129.1	−1,313	+424	+1,468	96.6	15.52
1985							
1st qtr.	120.5	123.5	−1,283	−535	+1,862	96.5	13.53
2nd qtr.	120.6	126.0	−222	+1,183	+2,368	98.2	14.32
3rd qtr.	115.0	123.1	−150	+250	+2,042	100.6	14.18
February	123.6	127.5	−241	− 12	+675	96.2	15.35
March	119.6	136.8	−977	−704	+260	96.5	13.53
April	121.8	130.2	−259	+210	+687	97.3	14.03
May	121.7	121.0	+252	+721	+838	98.3	13.98
June	118.4	126.9	−216	+252	+843	99.1	14.32
July	116.9	122.6	− 56	+344	+693	99.5	14.26
August	113.5	122.7	−194	+206	+667	101.3	14.26
September	114.5	124.1	−200	+200	+683	101.1	14.18
October							16.31

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,064	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1,771	3,380	11.50
February	3.1	− 5.0	4.6	13.3	474	1,013	11.50
March	− 1.3	− 1.2	9.2	16.0	214	965	14.00
April	5.4	22.2	18.8	19.5	507	1,061	13.50
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	25.1	20.2	401	961	12.63
July	4.4	19.1	8.3	16.8	650	1,129	12.50
August	2.4	22.9	14.4	21.8	524	1,126	11.50
September	1.1	5.2	12.4	14.2	597	1,125	11.50
October					796		11.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity Index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.8	139.4	375.3	339.4	278.13	78.9
3rd qtr.		133.2	140.1	376.3	335.5	251.12	82.2
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.4	140.8	139.2	373.9	338.8	293.08	78.0
May	169.4	138.8	139.5	376.6	339.3	279.98	78.7
June	171.9	136.7	139.6	376.4	340.1	278.13	79.9
July	172.7	133.9	139.9	375.7	335.3	259.51	83.6
August	173.5	132.8	140.1	376.7	335.3	254.34	81.6
September		132.8	140.4	376.5	335.8	251.12	81.4
October		131.5	140.8			249.46	80.4

*Not seasonally adjusted.

UK COMPANY NEWS

Indonesian boost for Ultramar

A STRONG performance from its Indonesian producing operations has enabled the Ultramar group to lift third quarter pre-tax profits from £61.8m to £67.8m. This brings the figure for the nine months ended September 30 1985 up to £220m, an advance of £25.1m ovec the like 1984 period.

For the year to date those operations contributed over half of the group's operating profit directly and through the 50 per cent interest in ENSTAR.

Allhougb the refining and marketing companies continued to experience weak macket conditions, there was some improvement in margins over second quarter levels, especially in Eastern Canada, and this has continued into the fourth quarter.

Profitability of the North Sea producing operation was adversely affected by the weakness of the US dollar whicb resulted in lower average crude oil realisations.

Net profil auributable for the third quartec came to £17.1m (£22.1m) equal to d.3p pec share (8.1p), and for the nine months it was £79.5m (£88.7m) or 29.1p (32.7p) per share.

The directors say the future levels of crude oil prices, refined product margins and currency exchange rates continue to be the main uncertainties.

The fourth quarter ahoutd see the normal seasonal upturn in the business and they are optimistic that the rationalisation moves taken by the industry and by Ultramar will make for improved margins and profitahility for the downstream opecations, particularly in Eastern Canada.

In terms of US dollars, the profit for the nine months, before exceptional items but after minorities, shows an increase of 20 per cent over 1984. But in sterling terms the apparent increase is only 7 per cent, from £77.6m to £83m.

In the quarter, exploration and production profit was £32.1m (£33.8m), with Indonesia providing £19.7m (£18.6m) and UK £6.8m (£11.6m). Refining and marketing came to £3.8m (£9.8m) of which Canada and the US east coast accounted for £1.6m (£8.9m), shipping incurred losses of £700,000 (£1.5m) and other activities made a profit of £200,000 (£300,000). The figures are stated after tax but prior to financing and administration charges, exceptional items and minorities.

The quarter bas suffered an exceptional debit of £3.5m. This is the estimated cost of C$13m, reduced to C$6.75m by asset disposals and pension fund recoveries, of the major reorganisation and cost reduction programme in Eastern Canada.

Cash flow from operations continues at a record level — it was £46m in the quarter. With tightec controls on working capital requirements and capital expenditures, and the refinancing of the Canadian subsidiaries, this has led to a significant reduction in debt over the past 12 months. Gearing has improved to 35 per cent compared with 64 per cent at the end of September 1984.

Mr Lloyd Benson, chairman of ultramar

Mr Petec Raven, the finance director, said later that be thought it would be "a bit mueb" to expect the 20 per cent profit improvement in dollar terms to be repeated ovec the full year.

He recalled that the group had turned in a particularly good fourth quarter in 1984. As for this year, he expected a good period bnt "I do not think one should be looking for 20 per cent foc the full year."

Mr Raven said he expected borrowings in the current quarter to increase because of seasonal factors and the financing of two Spanish vessels.

The chairman, Mr Lloyd Bensen, said drilling exploration in the US had increased sbarply. The group now bad good teams in place and its interests would rise from single figure percentages to 25, 50 and in some cases 100 pec cent.

On acquisitions, Mr Bensen said he was glad the group had not made a major acquisition over tbe last six months because of market conditions. But tbere was now a much better chance of acquisitions, he said, and "we are still ont there."

● comment

Oil companies witb income geared heavily to the price of crude are not exactly the flavouc of the year and Ultramar's share price has stood still for months. The third-quartec figures sbow once again what an excellent investment Indonesian LNG has been, making up well over half of operating profits; but wbile these earnings are to an extent protected from dollac weakness—moving inversely to the dollar's relation to a basket of currencies—they would follow a fall in the crude price down. Ultramar is now picking np US oil and gas prospects pretty cheap, but the key to the future is a turnaround in the North American downstream operations, still producing a miserable and unstable return on capital employed. At 210p, down 3p, Ultramar yields about 7 pec cent on a small dividend increase; but given the risks on the downside, this may be inadequate against the yields on companies with lower balance-sheet gearing.

Land Securities rises 20% to £54m

By Michael Cassell, Property Correspondent

Land Securities, the UK's largest property development group, yesterday reported a 20 per cent increase in interim profits.

The group, which last week arranged a £100m mortgage debenture issue, pushed np pre-tax profits foc the six month period ending September 1985 to £54.2m, from £45.4m. Income available for distribution reached £32.5m, compared to £25m in the corresponding period of £1984.

An interim dividend of 2.9p a share is declared (2.6p). Earnings rose from 4.96p to 6.46p.

Lease reviews and renewals helped rental income from the gronp's £2bn-plus investment portfolio reacb £74.1m dnring the six months, against £63.6m in the first half of 1984.

Land Securities saya it does not expect the growth rate in rental income for the yeac to March 1986 to differ materially from that achieved in the twelve months to Mareb 1985. Some properties will not be income prodncing because they will be witbdrawn from the letting market for redevelopment or refurbishment.

The gronp says that good progress has been made with the letting of redeveloped and refurbished premises. Offices at Devonshire House, Piccadilly, are now all let or nnder offer and 6-12 Fenchurch Street EC and Cromwell House SW, where works have recently been completed, are both under offer to single tenants.

The property gronp will not confirm reports that the 58,000 sq ft Fenchurch Street office building is being taken by Kleinwort Benson, the merchant bank. The rent agreed is believed to be in the region of £35 a sq ft.

Elsewhere in London, the offices at Ealing Broadway have been let to British Telecom and redevelopment of Queens House, St James's Street, SW, has started. In the provinces, work is underway on the third phase of the Kennet shopping centre at Newbury.

Royal Bank to acquire Goldberg credit card

The Royal Bank of Scotland is to pay £4.8m for a 60 per cent stake in Style Financial Services, the credit cacd subsidiary of A. Goldberg, Glasgow-based department store operator.

At the same time A. Goldberg bas anounced a strong retail recovery witb pre-tax profits of £424,000 for the six months to September 28 1985, compared with losses of £762,000 previously. Turnover was £4.57m ahead at £21.66m. For the year to March 30p rofits of £640,000 were achieved.

The directors are doubling the interim dividend to 1p, which equals the total for 1984-1985.

Mr Mark Goldberg, the chairman, says that Style has achieved god growtb during the half year, contributing £614,000 to profits. However, be explains that the continuing successful development of Style would require substantial funds wbich the directors consider would adversely affect the group's long term performance.

In addition to the immediate cash injection which the sale will bring, Mr Goldberg says that the group has entered into a trading agreement with Style to maintain links until at least March 1995. This will significantly strengthen the group's long term trading position.

Style, launched by Goldberg in 1981 is one of the leading providers of consumer credit in Scotland, with external companies acconnting for 19 per cents of its first half business. Encouraging increases in the numbec of cardholders and card holder activity have also been achieved, the chairman says.

The Stylecard currently has about 350,000 accounts, and is widely accepted by retailers other than the Goldberg and Wrygges group. The service has also been expanded to cover some trovel companies, car services and hotels.

Mr Charles Winter, chief executive of the Royal Bank, said that it would follow through its option to buy the remaining 40 pec cent of Style in 1988. The Royal, whieb will take over the financing of the service from the Bank of Scotland, has agreed not to provide consumer credit facilities to direct competitors of Goldberg.

The acquisition will develop the bank's consumer credit business and complement its affiliationw ith Access in which it holds a 10 per cent stake. The benefit to the bank will be a new system to market financial services and to gain potential new customers. Style cardholders dn not necessarily need to have bank accounts.

Mr Winter said that the bank hoped to expand the use of the card, eventually increasing its circulation to south of the border.

The directors of Goldberg believe that the growth of Style will be accelerated by the resources of the Royal Bank and that an increase in the number of cardholders will benefit the shareholders, customers and staff of both Style and Goldbecg.

The disposal releases funds for Goldberg whieb will permit and accelerate the revitalisation of the group's main retail business, Mr Goldberg states.

Looking ahead, he says that the second half has started well and further development nf all aspects of the business should provide a satisfactory outcome for the year, with trading prospects for the company being "increasingly favourable."

Williams offer for Ley's pref

Williams Holdings is making an offe rto acquire the 4.2 pec cent cumulative preference stock of Ley's Foundries and Engineering.

Williams already bolds the whole of tbe ordinary stock, deferred ordinary stock and 3.5 cumulative preference stock.

The terms are: For every two Ley's 4.2 prefecence atock units one new Williams 10½ per cent cumulative preference share.

The aggregate value of the offec is about £0.6m, on tbe basis of a value of 115p per Williams preference share, being the middle market quotation on November 11.

Ley's became a subsidiary of Williams as a result of offers made in November 1982 but, at that time, no offer was made for the 4.2 per cent cumulative preference stock.

SIDLAW GROUP is negotiating to acquire the share capital of S. B. Offshore Peterhead Base, the wholly-owned subsidiary of S. B. Offshore Group.

Valor 39% ahead at halfway

INCLUDING A first full period of acquisitions, the Valor home appliance group has lifted its sales by 42 per cent and pre-tax profit by 39 pec cent in the half year ended September 27 1985.

Mr Michael Montague, the chairman, saya that market demand was steady in the period, but since September it has risen sharply.

He says the build up to privatisation of British Gas is likely to focus consumer interest furthec on gas appliances, and should have a beneficial effect on Valor sales.

The half year figures take in Heatrae Sadia, Gainsborough, and Breville electrical appliance operations. Total group sales were £58.14m (£40.92m) and profits £2.79m (£2m). The interim dividend is raised to 1.358p (1.235p) net per share.

Mr Montague says that sales of heaters remained buoyant but cookers disappointed. Market share was lost on a new range because of technical troubles, but that has been cured.

The Dreamland electric blanket business is booming. A new range came out ahead of time and is selling well, while the new Physiopads heat pads have been generally well received by the medical profession, reports the chairman.

Heatrae Sadia and Gainsborough are holding on to their market shace but the weathec affected the sales of electric showers generally.

Gas beater sales were well up. The launch of the balanced flue version of the Homeflame has been an outstanding success, the chairman states.

After tax £838,000 (£605,000) the net profit for the period works through at £1.96m (£1.4m), giving basic earnings of 7.27p (6.92p) and full diluted of 6.96p (6.57p). Pre-tax profit for the year ended March 31 1985 totalled £5.7m.

● comment

Valor's profits increase of 39 per cent is roughly equally split between organic growth and the first time inclusion of acquisitions Heatrae Sadia and Gainsborough. The list of subsidiaries is liberally peppered with good performers but the most significant feature of the group's progress over the last couple of years bas been the devlopment of living flame gas fires wbich continues to show exceptional growth. Breville will make its maiden contribution in the second half and there should be a small profit following the closure of the Birmingham factory the costs of which have been taken above the line in these figures. For the year profits of £7½m to £8m pre-tax look possible which drops the prospective p/e to a little under 10, assuming a 30 per cent tax charge and an average capital base. Further acquisitions are no doubt in the pipeline which may mean some more equity on the way — although the balance sheet is strong—but even so the price does not look vulnerable.

Losses of £3m fail to dent Memory optimism

Memory Computer, the troubled computer manufacturec and distributor, based in Dublin, recorded pre-tax losses of I£3.62m (£3m) in the 15 months to June 30 1985 against profits of £76,000 foc the 12 months to March 31 1984.

The result is in line with figures given in August when it announced plans to raise about I£930,000 following a poorly-received rights issue earlier this year.

The cash-raising scheme involvea the placing of 1.08m convertible cumulative redeemable preference shares of I£1 at par. Memory also said at the time that sales had picked np in the three months to June 30 and it bad traded profitably.

The directors say the computer industry worldwide is undergoing rapid change aod realignment but, in spite of its difficulties, Memory faces the future with confidence.

There is no dividend. In the 12 months to March 31 1984, there was an interim of 1p but no final.

Turnovec was down in the 15 months from £8.19m to £7.28m. Tax took £105,000 compared with a credit of £61,000. Minorities took £11,000 (£12,000) and there were extraordinary debits of £2.72m (£819,000).

Losses per 10p share came out at 28.5p against earnings of 2.2p

The continuing recession in Ireland has resulted in severe competition and a reluctance among purchasers to commit scarce funds, say the directors.

But Memory's substantial customer base serves to mitigate these forces, they say, giving cause for it to expect home sales to rise.

The Memory 55 computer is making progress, particularly in the credit union sector, say the directors. In addition, Memory has launched the Altos product and a wide range of software

Chester Water offer for sale to raise £1.5m

Chestec Waterworks Company has caised £1.52m following the offec for sale by tender of £1.5m of 8 per cent cedeemable preference stock 1992 through brokers Seymour Pierce. The amount of stock applied foc was £4.44m and the average price obtained was £101.658.

Yearlings at $11\frac{3}{8}$%

YEARLING bonds totalling £5.9m at 11⅜ pec cent cedeemable on November 19 1986, have been issued by the following local authorities: Basingstoke & Deane Borough Council £0.5m; St Helens Metropolitan Borough Council £0.5m; Wansbeck District Council £0.4m; Llanelli (Borough of) £0.25m; Dundee (City of) District Council £0.5m; West Yorkshire Metropolitan County Council £0.75m; Allerdale District Council £0.5m; Medina Borough Council £0.5m; Cardiff (City of) £2.0m.

General Accident

NINE-MONTHS' RESULTS

The results for the nine months ended 30th September 1985 estimated and unaudited are compared below with those for the similar period in 1984, which are restated at 31st December 1984 rates of exchange; also shown are the actual results for the full year 1984.

It must be emphasised that the results for the interim period do not usually provide a reliable indication of those for the full year.

	9 Months to 30.9.85 Estimate £ millions	9 Months to 30.9.84 Estimate £ millions	Year 1984 Actual £ millions
Premium Income—General Business	1,255.8	1,236.8	1,689.0
Long Term Business	156.3	119.9	189.9
	1,412.1	1,356.7	1,878.9
Investment Income	192.4	192.5	266.2
Underwriting Result—General Business	(186.2)	(191.3)	(268.5)
Long Term Insurance Profits	6.5	4.4	7.7
	12.7	5.6	5.6
Loan Interest	1.5	1.2	1.7
Profit before Tax and Minority Interests	11.2	4.4	3.9
Taxation	(5.8)	(1.3)	(8.1)
Minority Interests and Preference Dividend	1.6	1.0	2.2
Net Profit attributable to Shareholders	15.4	4.7	9.8
Earnings per Ordinary Share	9.2p	2.8p	5.9p
Principal exchange rates used in converting overseas results:			
U.S.A.	$1.41	$1.16	$1.18
Canada	$1.93	$1.53	$1.53

ANALYSIS BY TERRITORY OF GENERAL BUSINESS PREMIUM INCOME AND UNDERWRITING RESULT

(before internal reinsurance)

	9 months to 30.9.85 Premium Income £m	9 months to 30.9.85 Underwriting Result £m	9 months to 30.9.84 Premium Income £m	9 months to 30.9.84 Underwriting Result £m
U.K.	411.9	(58.6)	370.0	(47.1)
U.S.A.	515.4	(85.0)	554.0	(103.8)
EEC other than U.K.	73.5	(11.4)	69.1	(10.7)
Canada	109.6	(19.8)	118.4	(21.5)
Australia	26.1	(2.7)	32.5	(1.7)
Others, including reinsurance	79.5	(7.2)	60.5	(4.1)
Marine and Aviation	39.8	(1.5)	32.3	(2.4)
	1255.8	(186.2)	1236.8	(191.3)

Net written premiums increased in sterling terms by 1.5% whilst investment income decreased by 0.1%. Adjusted to exclude the effects of currency fluctuations, there were increases of 14.7% and 13.5% respectively.

In the third quarter there were underwriting losses of £56.2m (1984 £60.8m loss) of which £15.3m (1984 £14.2m) occurred in the United Kingdom and £26.6m (1984 £32.3m) in the United States where the result was particularly affected by Hurricane "Gloria" which alone cost £10m. In the aggregate other territories produced underwriting losses of £14.3m (1984 £14.3m loss). The pre-tax profit for the quarter amounted to £12.7m (1984 £6.8m profit).

For the nine months in the United Kingdom there was a loss of £58.6m (1984 £47.1m). Losses in the Motor account increased to £18.1m (1984 Nil) reflecting a sharp increase in the incidence of claims. Improvement in the Homeowners account was maintained with a small profit in the quarter reducing the nine month loss to £9.4m (1984 £10.7m). Experience in the Commercial Property and Liability accounts showed substantial improvement but remains adverse.

For the nine months in the United States net written premiums were $727m (1984 $643m) and the operating ratio was 116.41% as compared with 118.44% for the same period in 1984. On the United Kingdom accounting basis the underwriting loss was £85m (1984 £103.8m loss). The Property class results were particularly affected by windstorm losses in the second and third quarters aggregating £14m.

Elsewhere there were aggregate underwriting losses of £42.6m (1984 £40.4m loss). Results in France and Belgium showed some deterioration during the quarter although experience in other territories was little changed from the half year.

New annual premiums for life business in the United Kingdom for the nine months were £19.7m (1984 £21.9m), while single premiums increased from £38.6m in 1984 to £43.4m.

General Accident Fire & Life Assurance Corporation plc.

World Headquarters: Pitheavlis, Perth, Scotland PH2 0NH.

UK COMPANY NEWS

Regalian doubles profits and plans £8.5m rights

BY RICHARD TOMKINS

Regalian Properties, a specialist in refurbishing housing estates previously owned by local authorities, yesterday announced more than doubled interim pre-tax profits of £1.87m, against £835,222, and plans to raise £8.55m net through a two-for-five rights issue.

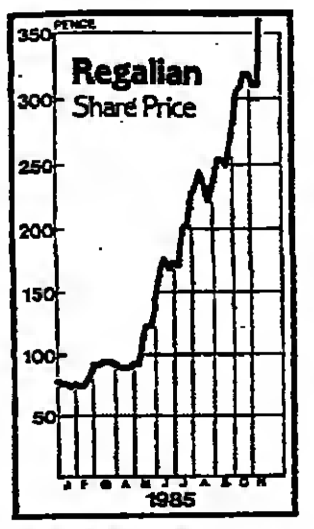
The shares rose 50p yesterday to close at 360p, and have more than doubled in price since the annual results for 1984-85 were published in June.

Regalian has expanded urban renewal activities significantly over the past 18 months, and has completed schemes comprising 450 flats at Battersea Village in south London and at Riverside in London's docklands.

Projects comprising more than 1,000 flats are under way at Cardiff, Lichfield (Staffordshire), Washington (Tyne and Wear), and Wandsworth (south London). Work has also started on a project at Free Trade Wharf in London's Docklands comprising 400 flats, 50,000 sq ft of commercial premises and 100,000 sq ft of offices.

Work is due to start soon on a scheme for 450 flats in Manchester and on refurbishment of 30 flats at Orchard Mead House in north-west London. Other refurbishments are also being carried out in London's West End.

Mr David Goldstone, Regalian's managing director, said recent developments had been carried out mainly by increasing bank borrowings, now at £11.73m, and an injection of further capital would enable the group to take advantage of further opportunities opening up.



"We have been short-listed for six substantial urban renewal projects and I should be surprised if we didn't get at least two of them," he said.

The rights involves 3.4m new ordinary shares at 260p each and it is underwritten by Barclays Merchant Bank. Brokers to the issue are De Zoete & Bevan.

Mr Goldstone and his family are not taking up their rights to 32 per cent of the issue. Mr Goldstone said this was to widen the market in the shares. Barclays Merchant Bank will place the family entitlement with institutional investors at 17 3/64p nil paid.

Turnover for the half-year to September 30 1985 was £10.2m (£3.43m) and gross profit was £2.6m (£1.3m). Earnings per share rose to 13.08p (5.2p) and the interim dividend has been lifted to 1.25p (0.85p).

Regalian said that although it was too early to make a profits forecast for the full year, the directors were strongly encouraged by recent developments.

● comment

The meteoric rise in Regalian Properties' share price over the past few months reflects the market's increasing awareness that the group has found itself a very propitious niche in a growth market, and the rights issue will enable it to add further impetus to the gains already made. There seem to be no immediate limitations on supply or demand in its main area of activity, urban renewal. Local authorities are increasingly seeing the disposal of problem housing estates to Regalian and others as part of the solution to inner-city problems, and customers for the refurbished flats are—literally, in one case—queuing up to buy. The market seems big enough to absorb competition but Regalian is in any case a leader in its field. The income stream is lumpy but forecasts for the full year suggest around £3.5m, putting the shares on a prospective p/e ratio of nearly 18 after a 40 per cent tax charge. This may not look cheap in the short term but with £10m in sight for the end of the decade on existing projects alone, it could yet appear to be a bargain a few months hence.

Redfearn Glass back in profit

Redfearn National Glass, manufacturer of glass and plastic containers, based in Yorkshire, recorded its first pre-tax profit since 1981-82 in the year to September 29 1985.

It turned a loss of £225,000 in 1983-84 into profits before tax of £1.08m, largely as a result of a good performance by the glass division which made trading profits of £1.5m against losses of £335,000.

R.N. Plastics, however, had a poor year, showing losses of £112,000 compared with profits of £110,000.

The dividend is increased from 0.1p to 2p a share. Earnings a share were 16.8p against losses of 3.9p.

Mr John Pratt, chairman, says that manufacture of plastic containers presents some short-term problems, but market research shows they will be used increasingly in the food and beverage industries.

The tough market conditions will not change in 1986, he says.

Bank borrowings were reduced from £10.3m to £8m. The £1.65m pension fund refund, announced at the end of last month, and the proceeds of the sale of the York factory, completed on Monday, will improve the position further by £2.45m. Interest costs will also be much lower as a result, the chairman says.

The York factory has been sold to Costain Homes for housing for £800,000 cash. The book value is £500,000, says Mr Pratt, and the resulting £300,000 profit will be taken as an extraordinary item in the 1986 accounts.

Group turnover for the year rose from £56.55m to £58.2m. Operating profits before interest and redundancy costs were up from £1.1m to £2.59m. Interest payable (net) was £1.51m (£1.32m).

Tax took £55,000 (£5,000) and there were extraordinary credits of £1.67m (£856,000), including the £1.65m pension refund. Retained profits came out at £2.57m (£612,000).

● comment

The turnround at Redfearn National Glass has been impressive—so much so that the market must be wondering whether the second half performance is really sustainable. Certainly a £2.5m operating profit gain on a £3.4m rise in sales looks unusual. The new mangement team has the benefit of the Inland Revenue's kindness plus the York disposal and other gains, especially in energy saving measures. What is not clear is how far this equips Redfearn, number three in its market place, to battle for sales against Rockware, United and imports. Basically a bottle maker, it may have to take on a new profile to really establish a growth trend. The prospective p/e is 4 on forecasts of £1.9m with no tax to pay. This suggests that the share price still has some way to go before it matches the sector. Should the price move up much further from yesterday's 118p, up 29p, then some big blocks of shares could hit the market. For Mr Ron Brierley's Industrial Equity is sitting on 25 per cent of the equity and doing so almost certainly only for capital gain (which currently stands at around £600,000 on an estimated £1.2m investment). A rights issue may be premature speculation but it would test his metal.

Diversification lifts Wade Potteries to over £1.6m

DIVERSIFICATION helped Wade Potteries to achieve record turnover and pre-tax profits in the year to July 31 1985. Although there was temporary weakening of demand for its more advanced industrial products midway, Mr Anthony Wade, chairman, says this was effectively cushioned by increased orders for ornamental ware.

Wade, based in Stoke-on-Trent, is principally involved in making ceramic products. Group turnover for the year was up 14 per cent at £15.3m, while pre-tax profits showed a 47.7 per cent rise to £1.66m (£1.12m). At the half way stage, profits were £598,400 (£366,265).

The final dividend is 2p (1.9p), making a total 3p (2.5p) for the year. This is more than three times covered by earnings of 9.95p (8.76p) per 10p share.

A long-term project is the continuing development of Keralloy, a ceramic-coated alloy. Although this will not add to profits in the current year, there are signs that its applications may be considerably wider than originally envisaged, Mr Wade says.

A new development has been the installation of plant and equipment for the manufacture of ceramic fibre components. The directors expect this to start making a modest contribution to profits in the latter part of the financial year.

The group's policy of designing ware for individual users has considerably increased business, Mr Wade says.

Looking ahead, Mr Wade says the current year is likely to be one of consolidation with further growth following as and when the new developments mature.

Wade (Ireland) made only a marginal contribution to profits, he says, and this cannot be considered a satisfactory return on either capital or effort expended.

Total capital spending during the year was £683,247, mainly for new plant and equipment. The cost of the extension to the Wade, Heath & Co factory will be incurred in the current year.

Tax took £599,351 (£185,420).

Ecobric falls £75,000 into the red

By Mark Secombe

Ecobric Holdings, a demolition and scrap metal recycling group, which failed so spectacularly to blow up a block of flats in East London earlier this month, recorded pre-tax losses of £75,000 in the six months to July 31 against profits of £120,000 last time.

It says the losses reflect delays, now resolved, on two big demolition contracts and weaknesses in scrap prices.

However, Mr Graham Errington, group financial controller, said yesterday that these demolition contracts did not include Northaird Point on the Trowbridge Estate in Hackney Wick. A controlled explosion, in front of the television cameras, failed to demolish the 21-storey block, owned by the Greater London Council.

Mr Herrington said demolition was now going ahead using the conventional methods of ball and chain. The contract, he said, "will have little influence on profits." The work is being carried out by L. E. Jones, a wholly-owned subsidiary of Ecobric.

Turnover in the half-year rose from £2.35m to £3.11m. There was a tax credit of £37,000 compared with a charge of £19,000 and an extraordinary credit of £19,000 (£10,000 debit). Losses per 10p share were 0.39p against earnings of 1.04p restated. The shares are traded on the USM.

Great Portland increases pre-tax revenue by 5%

Great Portland Estates, property investor, increased pre-tax net revenue by 5.6 per cent to £8.75m in the six months to September 30 against £8.29m last time.

Gross rental income rose 14.6 per cent from £8.99m to £10.3m. The UK tax charge was £3.25m against £3.61m, leaving net revenue from completed properties of £5.5m (£4.68m).

The interim dividend is raised 1p to 2p per 50p share to reduce disparity. Earnings came out at 3.8p (3.3p).

Net revenue includes other property expenses of £1.75m (£965,000); interest receivable of £1.05m (£1.14m); and interest payable of £705,000 (£787,000).

Since the year-end, 80 Bishopsgate, London EC2, has been let, the company says. It will start to produce income from April 1 1986.

Refurbishment work has started at 4-5 Bonhill St, EC2, and the Sainsbury's Homebase development in Colchester, Essex, is scheduled for completion by the end of 1985.

In addition, contracts have been exchanged for the purchase of the Bircherley Green shopping centre in Hertford, and heads of agreement have been reached for the financing and construction of a high-technology building near Heathrow Airport.

Craig & Rose

Craig & Rose, Edinburgh-based paint maker, showed a 12.5 per cent improvement, from £64,000 to £72,000, in pre-tax profits for the first half of 1985.

The interim dividend is being held at 8p, and the directors expect to declare a second interim, payable in July 1986, of 39p (same). Stated net earnings for this half are shown ahead from 50p to 56p per £1 share.

The abnormal weather from early summer considerably restricted sales for outside maintenance painting, and turnover rose only marginally, from £2.37m to £2.42m. Since then, however, sales have made some recovery.

LADBROKE INDEX
1,084-1,088 (+13)
Based on FT Index
Tel: 01-427 4411

BOARD MEETINGS

TODAY

Interims: Allied Irish Banks, John Foster, Henderson Administration, L.C.P., Mitchell Somers, Robert Moss, G. Ruddle, Scantronic, Staveley Industries, Thorosc.

Finals: G.R. (Holdings), M. J. Gleeson, LWT, Moss Advertising, National Australia Bank.

FUTURE DATES

Interims—	
Alva Investment Trust	Nov 21
Bulmer (H. P.)	Dec 11
Carless Capel and Leonard	Nov 25
Extel	Nov 21
Lloyd (F. H.)	Nov 28
London and Midlands Industs.	Nov 19
New London Oil	Nov 27
Nordic Investment Trust	Jan 31
Sekers International	Nov 25
Sharaton Securities Intnl.	Nov 25
Steinberg	Nov 27
Sungei Besi Mines Malaysia	Nov 18
Finals—	
Bush Radio	Nov 18
Diploma	Nov 18
Lee (Arthur)	Dec 16
Radio City (Sound of Merseyside)	Nov 25
Spectrum	Nov 15
Union Steel Corporation of South Africa	Nov 19
United Spring and Steel	Nov 18
Westpac Banking Corporation	Nov 21

NOTICE OF REDEMPTION
TO THE HOLDERS OF

The Long-Term Credit Bank of Japan Finance N.V.

Guaranteed Floating Rate Notes Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal Agency Agreement dated December 13, 1979 between The Long-Term Credit Bank of Japan, Limited and Manufacturers Hanover Trust Company as Fiscal Agent, $75,000,000 principal amount of the above described Notes are called for redemption at their principal amount on December 17, 1985.

Interest on the Notes will cease to accrue on December 17, 1985.

The December 17, 1985 coupons should be detached and presented for payment in the usual manner. The Notes will carry an interest rate of 8 5/16% per annum with a coupon amount of $211.28.

The Notes may be presented for payment at the following addresses:

If By Hand
Manufacturers Hanover Trust Company
130 John Street
Corporate Trust Window
Ground Floor
New York, New York

If By Mail
Manufacturers Hanover Trust Company
Coupon Paying Department
P.O. Box 2862, GPO Station
New York, New York 10116

The Notes may also be surrendered to:

Manufacturers Hanover Limited
Credit Lyonnais
Bankers Trust International Limited
Banque Bruxelles Lambert S.A.
Chase Manhattan Limited
Commerzbank Aktiengesellschaft
The Development Bank of Singapore Limited
Union Bank of Switzerland (Securities) Limited
S.G. Warburg & Co. Ltd.
Westdeutsche Landesbank Girozentrale

Dated: November 14, 1985

Egoli Consolidated Mines Limited

Incorporated in the Republic of South Africa
Registration number 68/15717/06
("Egoli")

Announcement to shareholders

Shareholders are advised that since the prelisting statement of West Witwatersrand Gold Holdings Limited ("Weswits") appeared in the press on 25 October 1985 and the circular concerning Weswits was posted to Egoli shareholders on 1 November 1985, there has been an important development in the gold production operations at Weswits.

Shareholders were informed in the technical adviser's report attached to the Weswits prelisting statement that certain reefs outcrop and sub-outcrop at a very shallow depth within the Weswits tribute area.

The management of Weswits have investigated some of these outcrops and commenced open-cast mining and treatment of the ore on 1 November 1985.

By order of the board

Investments and Technical Management Limited
Secretary

per: M. van der Watt

BUSINESS LAW

EEC competition: papering over the cracks

By A. H. HERMANN, Legal Correspondent

LONG AFTER it became evident that Ptolemaic cosmology cannot explain the movement of stars, planets and of their newly discovered moons, Tycho de Brahe, the noseless Prague astronomer, continned to invent new celestial spheres of unbelievably complicated rhythms to fit bis new discoveries into the Church-approved theory. The Church feared that to discard the theory would shake the foundations of its power structure.

Four hundred years later, clutching to the illusion of power against all reason, the EEC Commission is trying to paper over the basic fault of its competition policy by inventing new, unbelievably complicated but legally ineffective devices: block exemptions with opposition procedures, comfort letters and guidelines. Competition lawyers who for many years have played the Commission's game, are now realising that there are no firm limits to the range of business deals and agreements which, though in no way restricting competition, even promoting it, are subject to the scourge of invalidity.

As a result, many of their clients may have no remedy against a default of their business partners. Where there is no law, one does not need lawyers—a situation which European business lawyers dislike intensely.

This feeling became very evident at the Eighth Competition Law Conference of the European Study Conferences held last week in Brussels. It was attended mainly by the second generation of European lawyers.* These were taught at school that Articles 85 and 86 and Regulation 17/62 on procedure are divine law on which EEC competition enforcement rests, only to realise as soon as they entered practice that these are Sunday school commandments, consigned to oblivion during office hours. The real rules, they have discovered, are not rules of law but rules of bureaucratic and political expediency.

They listened with polite interest to the list of good intentions recited by Mr Peter Sutherland, the Irish Commissioner in charge of competition. But not even the tolerance inspired by food end drink helped them to reconcile. his conflicting aims of dealing "strictly with clear infringements of Article 85 and 86 and, if appropriate, impose exemplary fines" and of "more clarity and legal security" and of speeding up procedures.

The trouble — and the basic fault of EEC competition policy — is caused by a trinity of rules, that of Article 85 which declares that all prohibited restrictive agreements are "automatically void"; that of Regulation 17/62 which gives the Commission the monopoly of power to clear an agreement of the suspicion that it may fall in the prohibited category or to grant it an exemption because it has some redeeming features; and the rule invented by the European Court that all restrictions distorting the structure of competition are deemed to affect trade between member States. This is clearly unworkable, simply because each year many thousands of suspect agreements are concluded and notified while the Commission is capable of deciding no more than a dozen. Even so, it takes sometimes up to 10 years to decide.

When the Commission stated in 1983 that only one case in 30 was closed with a formal decision, it referred only to the cases which its officials found interesting enough to pull out of the in-tray. If all notifications were taken into account the ratio would be more like one in 3,000 — and if all suspect agreements were considered, one in 30,000 or more.

What does the Commission do with the other 29 cases pulled out of its mammoth in-tray? Some of them are "settled" by negotiation in which the Commission officials declare themselves reconciled with the agreement after its modification by the parties. The IBM and Philip Morris cases were thus brought to an end by a process which has no basis in law and which gives the parties little or no legal security.

Another product of the Commission's desire to keep a font in the door without having to enter and do much searching and thinking are so-called comfort letters. By these an official (whose power to do so is questioned) informs the parties that there is no intention for the time being of adopting any decision on their opplication for clearance or exemption—the file will be closed but may be re-opened later. The European Court held that such comfort letters have no legal effect and that notional judges dealing with a defaulting party's defence that the agreement is void may take such letters into account only as a matter of fact. Since when was statutory invalidity of an agreement a matter not of law but of fact? Not in on English court, and as far as I know, in no other court, either.

Having thus "dealt" with the 30 cases—it may be a little more now—taken out of the in-tray—the Commission tried to eliminate thousands more by means of "block exemptions," conferring the benefit of article 85/3 on certain categories of distribution, co-operotion and patent licensing agreements.

In contrast with negotiated settlements and comfort letters, block exemntions ore legally effective. The trouble is however that it takes the Commission five to eight years to agree the "white lists" of exempted clauses and "black lists" of prohibited clauses which form the essential part of the instrument and that its interpretation provides lush pastures for lawyers. Moreover, three of the recent block exemption regulations, on patent licensing, research and development and specialisation, embody a provision that agreements which contain clauses which are neither on the white nor on the black list may be notified and considered to be approved if the Commission does not oppose them within six months.

Such an opposition procedure is obviously a very practical device. One would welcome its introduction, if only one did not fear that the Euronean Court would deny it any legal effect in the same way and for the same reason that it did so in the case of comfort letters.

A newcomer on the EEC horizon is "positive guidelines." These, as Mr Sutherland told the conference, will be annonnced shortly for joint ventures. Excellent, one is inclined to say: now you will know. But what will we know? That the present Commissioners are now minded to leave us in peace in certain, rather vaguely defined circumstances. Nothing about what will bappen if they or their successors change their minds and nothing about what the European or the national courts will say if the joint venture is attacked before them. The guidelines will have no legal effect and will not bind even the Commission.

All these exercises are no better able to save the unrealistic fundamental fault of EEC competition rules than Tycho de Brahe's additional and pirouetting celestial spheres could save the assumption that the sun and stars revolve aronnd the earth.

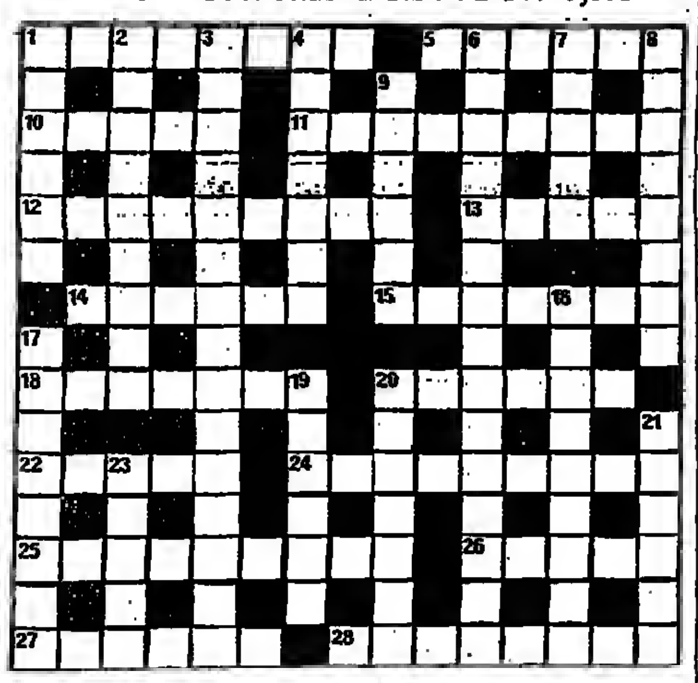
In most cases such exercises are unnecessary. Take the issue of franchising which is now occupying the European Court† after a German court held in the Pronuptia case that a franchisee need not pay its debts to the franchisor because the ogreement was void under Article 85 of the EEC Treaty. Hundreds of other franchisees are now posed to default with the same excuse. But in reality there is no problem: franchising agreements are not suspect* first because they do not affect adversely inter-state trade and second because franchising networks should be viewed as an economic unit—many managers of factory shops with a separate profit centre bear greater entrepreneurial risks than the operator of a Kentucky Fried Chicken franchise.

The European Court should say so, loudly and clearly. It should retract its exorbitant doctrine of effect on inter-state trade. The member governments should amend the treaty, replacing the words "are automatically void" (about prohibited agreements) in Article 85/2 by "may be declared void." And they should scrap regulation 17/62, of which nowadays the Commission takes notice mainly to bystep it.

** This was particularly evident in the papers presented by Michel Waelbroeck on EEC procedure and Ian Forrester on franchising.*

† Case 161/84, see this column July 18 1985.

FT CROSSWORD PUZZLE No 5,873



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11 Requiring paper and tin—a manufacturing concern (9)
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6 Publication about the state's control of the environment (3-12)
7 Two ways to get staff (5)
8 Caught over far from sensible contract (8)
9 Look—a couple of pages are transposed (6)
16 Running away from work in principle (9)
17 Guarded but fed-up, drew to a close (8)
19 Discovers a certain number wins (6)
20 Came with the wrong knife (7)
21 A little schoolmaster never stands at the back (6)
23 The Spanish swimmer is like a fairy (5)

Solution to Puzzle No. 5,872

APPOINTMENTS

Eagle Star finance director

EAGLE STAR INSURANCE COMPANY has appointed Mr M. Broughton as finance director and Mr I. Dunbar as executive director, management services.

★

Mr Nigel Godwin has joined the banking and financial service practice of BOYDEN INTERNATIONAL as vice president. He was vice president and European regional manager of Banca Serfin, Mexico.

★

LYNDOE (HOLDINGS) has ocquired Mills, Brooke Staton-Rhodes & Hythe (office interior specialists) and Silk Office Furniture (London) and appointed Mr Mikal Lyndoe as managing director, Mr Alan Taylor as financial director, Mrs E-M Hjelleistad as export director, and Miss Sian J. Charlton as a non-executive director. Silk Office Furniture (London) will in future be known as Lyndoe Office Furniture.

★

Mr M. A. Maberly, managing director of Credit Factoring International (Natwest Bank Group), has been elected chairman of THE ASSOCIATION OF BRITISH FACTORS. Mr T. G. Hotson, managing director of International Factors (Lloyds & Scottish Group), has been elected vice chairman.

★

Mr Nicholas A. D. Johnson has been oppointed a director of DRAYTON JAPAN TRUST, a company managed by MIM.

★

Mr Colin Bayley has been appointed a director of BROAD STREET ASSOCIATES PUBLIC RELATIONS. He was formerly a director of Good Relations City.

★

Mr Colin Holmes has been appointed o director of FRI-D'OR UK. He was sales manager.

★

CORRECTION

TILCON, a subsidiary of BTR, has appointed Mr Gerard J. Gallagher as group managing director. He has been an executive director of Tilcon since its formation in 1970. Mr Brian J. Howarth, formerly northern area director, becomes managing director northern division and joins the Tilcon main board.

★

Following the recent merger between Howden's parent company, Alexander & Alexander Services, and Reed Stenhouse the following directors have been appointed by ALEXANDER HOWDEN REINSURANCE BROKERS: aviation reinsurance—Mr J. P. Argent, and Mr J. D. Evangeli; marine reinsurance—Mr N. A. Bridge, Mr D. R. Gedden, Mr M. F. Sawkins, Mr M. A. Soriano Alvarez, Mr J. Thomas, Mr G. Trew (deputy managing director), and Mr D. R. Woodcock; non-marine reinsurance—Mr D. G. Bayley, Mr P. Fernley, Mr R. D. Munday, Mr A. Paxton, and Mr A. I. White.

★

Mr John Gunn, a director of The British and Commonwealth Shipping Company, is to join the board of ABACO INVESTMENTS as a non-executive director.

★

Mr Michael Craig Roberts, a senior partner in Deloitte, Haskins and Sells, has been appointed a member of the LONDON RESIDUARY BODY.

★

The international division of CONTROL DATA has appointed Mr G. D. (Gil) Williams as vice president for Europe. He will be based in the company's London office, with responsibility for operations in 15 countries.

★

Mr Fred Flett has been appointed marketing director for fire and security at FIRST INERTIA SWITCH.

★

Sir Derrick Holden-Brown, chairman and chief executive of Allied-Lyons, has been appointed chairman of the board of trustees of the WATER DECADE REALISATION FUND. The fund, a new international initiative, was registered as a charity earlier this year. It seeks to raise money from major companies trading and investing in the Third World to bring clean water and adequate sanitation to communities in the world's poorest countries.

★

Mr Peter Lougheed, until recently Premier of Alberta, has joined MORGAN GRENFELL'S international advisory council.

★

Several board changes have been made by GREENHAM TRADING. Mr William Bonneywell, deputy chairman, has been appointed chairman. He succeeds Mr George Borwell, who has retired from that position, but continues a director of Greenham Trading and Taylor Woodrow. Mr Brian Abrahams becomes managing director after being purchasing director since 1977. Mr George Adams is oppointed deputy managing director, while Mr Philip Crumbley is promoted to divisional director.

★

HASBRO-BRADLEY (UK) has appointed Mr Jim Andrews as group sales director and Mr Frank Martin as group marketing director. Both Hasbro and Milton Bradley will continue to operate with separate marketing and sales divisions, and Mr Chris Burgin, national occounts manager at Hasbro, who was previously with MB now returns to that company as divisional sales director. Mr Don Blundel, previously marketing director at Milton Bradley, has resigned.

★

ASSOCIATED DELIVERIES has oppointed Mr Alan West as managing director from January 1. He was formerly deputy managing director of UB Distribution Services.

★

Mr Paul Channon, Minister for Trade, has appointed Mr Peter Bulfield, a director of J. Henry Schroder Wagg & Co. as a member of the EXPORT GUARANTEES ADVISORY COUNCIL.

★

DREXEL BURNHAM LAMBERT has appointed Mr Bob Mulligan as director of Drexel Burnham Lambert Securities. Formerly chief trader at Quadrex, Mr Mulligan succeeds Mr Peter Ackland as director responsible for straight Eurobond trading.

★

NORTH THAMES GAS has appointed Mr Brian Izzard as director of corporate planning and management services. He is currently computer services manager at Segas, and starts his new job on December 2. He takes over from Dr Ted Johnson who has retired.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Oppenheimer Fund Mngt Ltd

Pearl Trust Managers Ltd (a)(g)

Perpetual Unit Trust Mngmt. (a)

Prolific Unit Trusts

Providence Capital Fd. Mgrs. Ltd

Prudential Unit Trust Mngrs Ltd (a) (b) (c)

Quilter Management Co Ltd

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd

Ridgefield Management Ltd

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt. (a)

Royal Life Fd. Mgmt. Ltd

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd

SKG Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd

Scottish Equitable Fund Mgrs. Ltd

Scottish Life Investments

Scottish Mutual Investment Managers Ltd

Scottish Provident Inv. Mgt. Ltd

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngt Ltd

Stewart Ivory Unit Trust Mgrs Ltd (a)

Sun Alliance Fund Management Ltd

Sun Life Trust Mgmt Ltd

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)

TSB Unit Trusts (b) (c) (y)

3i & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd (a)(g)

Touche, Remnant Unit Trust Mngt. Ltd

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Tyndall Managers Ltd(a)(b)(c)

UK Provident Unit Trust Managers Ltd

Unit Trust Account & Mgmt. Ltd

Vanguard Trust Managers Ltd

Wardley Unit Trust Managers Ltd (a)

Waverley Asset Management Ltd (a) (c) (g)

Westaven Unit Trust Managers Ltd(a)(c)

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd

INSURANCES

AA Friendly Society

Abbey Life Assurance Co Ltd

Aetna Life Insurance Co Ltd

Albany Life Assurance Co Ltd

Allied Dunbar Assurance Plc

Ambassador Life Ass. Co Ltd

Barclays Life Assur. Co Ltd

Black Horse Life Ass. Co Ltd

British National Life Assurance Co Ltd

Canada Life Group

Cannon Assurance Ltd

Chieftain Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ins. Ltd

Criterion Assurance Group

Crown Financial Management Ltd

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insurance Co Ltd

Eagle Star Insur/Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Insurance Ltd.

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC.

The LAS Group

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (UA)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd.

Liberty Life Assurance Co Ltd

Lloyds Life Assurance

London Life

London & Manchester Group

London Indemnity & Gnl. Ins. Co. Ltd

London A'deen & Nthn. Mtl. Assur. Ltd.

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

PBR Fund Management Ltd.

Pearl Assurance (Unit Funds) Ltd.

Pearl Assurance (Unit Linked Pens) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Assc. Co. Ltd.

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Group

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey

Money Market Trust Funds

The Charities Deposit Fund
77 London Wall, London EC2N 1DB 01-588 1815

The Money Market Trust
63 Qn Victoria St EC4N 4ST

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE

Money Market Bank Accounts

Adam & Co. plc
22 Charlotte Sq. Edinburgh EH2 4DF 031 225 8484

Aitken Hume
30 City Road, EC1Y 2AY 01-638 6070

Allied Arab Bank Ltd
97-101 Cannon St, London, EC4N 5AD 01-283 9111

Bank of Scotland
38 Threadneedle St, EC2P 2EH 01-628 8060

Barclays Prime Account
PO Box 125, Northampton 0604 252891

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yield % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk.	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk.	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect.	15
Blue Circle	50	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons.	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	**Property**	
FNFC	12	Brit Land	14
Gen Accident	55	Land Secs.	26
Gen Electric	14	MEPC	26
Glaxo	100	Peachey	24
Grand Met	30	Samuel Props	15
GUS 'A'	70	**Oils**	
Guardian	60	Brit. Oil & Min.	3½
GKN	20	Brit Petroleum	45
Hanson Tst	18	Burmah Oil	27
Hawker Sidd.	36	Charterhall	4
ICI	42	Premier	5
"Imps"	16	Shell	55
Jaguar	27	Tricentrol	18
Ladbroke	27	Ultramar	18
Legal & Gen	60	**Mines**	
Lex Service	24	Cons Gold	40
Lloyds Bank	35	Lonrho	12
Lucas Inds	38	Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Malaysia urges LME to fix prices on outstanding tin contracts

BY STEFEN WAGSTYL

SENIOR government officials and tin miners in Malaysia have urged the London Metal Exchange to fix settlement prices for outstanding tin contracts before tin trading resumes.

Their appeal implies that the LME authorities should set a settlement price which the International Tin Council (ITC), and its creditor bankers and brokers could all accept. One senior Malaysian official said: "LME traders should look to the long-term and not be greedy. If the ITC (the producers and consumers price pact of which Malaysia is a member) cannot bear the losses and defaults we are going to see long years of court battles."

The Malaysian officials did not discuss the levels at which any deal on a settlement price might be struck. But the implication of their argument is that the LME should set a price below the average price of just under the £9,000 a tonne at which the ITC has agreed to buy 68,000 tonnes of metal from brokers.

Brokers who have sold tin forward might object to such a deal, however, because it could cut the profits they stand to make.

Malaysian officials said that a reopening of tin trading on the LME without a deal would lead to a collapse of tin prices, increasing the loses to be met by the tin council, whose main asset is its tin stockpile.

A price collapse would also hit Malaysia's 380 gravel pump mines, which account for about 60 per cent of the country's output. This sector suffered another blow this week when the two Penang smelters stopped advancing cash against their ore deliveries. The smelters had, since the LME halted trading, been making 30 per cent cash payments to miners who sent their ore for smelting. But they were forced to stop this practice on Tuesday for fear of running out of money.

Cash flow problems have already forced nearly 100 Chinese gravel pump mines to cease operations temporarily, causing some 4,000 workers to be laid off.

In addition the state-owned Malaysian Mining Corporation (MMC), the world's biggest tin mining company, announced this week that it had decided to close down two more dredges because of export controls and weak demand. This takes the total of mothballed dredges to 21 out of 41.

The decision for the company's London trading arm, MMC Metals, to resign as a ring member of the LME was entirely due to the suspension of LME tin trading, Tan Sri Nasaroddin Mohamed, the MMC chairman, said yesterday. He described this as a "prudent commercial decision" and denied persistent rumours that the trading company was in financial difficulties because of its heavy exposure on the metals markets. Senior MMC officials are currently in London to monitor market developments.

Mr Nasaruddin said whether the company will resume its seat when trading resumes will depend on whether the LME authorities will allow it to participate in the market again.

Even before yesterday's reports that the LME had changed its mind about restarting tin trading on Monday the Malaysian Government was saying that it had not yet decided when it would reopen the Kuala Lumpur market.

The Ministry of Primary Industries said that the authorities would have to study the full implications of the LME decision (to reopen) before an announcement was made. "We are adopting a 'wait and see' attitude," an official said.

● In Bangkok meanwhile the tin crisis is threatening the survival of 275 mines and 24,000 jobs in four southern provinces of Thailand, the Mining Industry Labour Federation of Thailand said yesterday, reports Reuter.

About 14 mines have already closed permanently following the LME suspension and another 34 have halted operations temporarily, according to the federation's president, Mr Chalong Khomongkoltharakul.

Lessons to be learned from the crisis

BY GORDON GEMMILL

WHATEVER HAPPENS over the next few fraught days in the tin market, the present crisis holds some clear lessons for the London Metal Exchange. Whether or not tin trading is successfully restarted, it is in the interest of the LME to move as quickly as possible to a full clearing system—a move it has staunchly resisted in the past.

The LME is organised differently from any other commodity exchange in the world. It is effectively a halfway house between a forward and a futures market. Like a forward market, such as the inter-bank forward market in currencies, trading is predominantly to a date three months ahead and members of the market are not obliged to make any margin payments one to another to ensure performance. The loss or gain is therefore accepted only at the end of the three-month period. Nevertheless, members may at their discretion ask clients for margin. Like a futures market, there is a central exchange and all trades are recorded, (even if agreed outside the exchange). During trade on the exchange a member may not refuse to trade with any other member—there can be no preferential trading.

In the currency forward market each bank allocates a "credit-line" to each other bank, which is the value of trade it is prepared to do with that bank. On the LME, instead of individual credit lines there is a centralised system of monitoring, which allows each member to have an exposed position equal to a multiple of that member's net worth. After the limit is reached, the member will be called by the LME authorities for margin on any additional trades. Because the bankruptcy of one member could have a "domino" effect on other members, there is a compensation fund. Should that prove inadequate, it is usual for members to share-out the loss rather than the burden falling on the unfortunate members who traded on the central market in good faith.

In a "true" futures market, the clearing house would call members for an initial margin (deposit) on each forward contract and would thereafter call daily for any losses (variation margin). Should any member be unable to pay the variation margin, the clearing house would take over responsibility for those contracts, keeping the initial margin. The latter should in principle be sufficient to cover one day's potential change in price.

It has been claimed that if the LME used a clearing house, is it were a proper futures market, 15 of its 28 ring-leading members would not now face large losses due to the default on forward contracts of the International Tin Council. The situation is, however, not quite

Dealing on the LME Ring.

so simple. Let us assume that the LME were a futures market and margins had been called. Three-month tin had been highly volatile over the last few months, not least because of a squeeze in June designed quite openly by the tin buffer stock manager. The largest conceivable one-day change in price might therefore have been set by the clearing house at 10 per cent, ie about £900 per tonne. The tin buffer-stock manager is said to have contracted at about £10,000 per tonne, so contracts which were made on his behalf on the exchange would have had implied losses of about £2,000 per tonne by late October. This money would have already been settled between traders and the clearing house by the time the default occurred on October 24. However, it is common practice on the London commodity futures markets to give credit to favoured customers, so the traders might not have called the buffer-stock manager for all of the margin due but paid some of it themselves and charged interest. Let us suppose that this arrangement would have led to the buffer-stock manager being called for an average of £1,000 per tonne on the £2,000 per tonne due.

When the buffer stock manager defaulted, the outstanding credit to him from members would therefore have been only £1,000 and not £2,000 per tonne. Members would now have rushed to liquidate their exposed positions and the price might have fallen, let us suppose, to £6,000 per tonne. The clearing house would call all members with short positions for £2,000 per tonne to cover the loss and some might be forced to default. The liability for the contracts of defaulting members would then pass to the clearing house, which would have £900 per tonne in hand to cover a £2,000 per tonne loss. It would be left with a £1,100 per tonne loss on such contracts, which it would have to cover from its reserves (and its parent banks). The default of some members of the exchange would not be transmitted to other members of the exchange, but to the clearing house.

How much is at stake? The ITC contracted for 68,000 tonnes, of which 52,000 tonnes was from LME members. We do not know how much of this 52,000 tonnes was bought forward by one member from another, but let us assume that it was three-quarters, that is 39,000 tonnes. Let us further assume that default occurs on half of this amount, to the extent of £4,000 per tonne, less the £1,000 per tonne for which the LME has already called, so the intra-LME default is £3,000 x 39,000 tonnes=£107m. With a clearing house, this uncovered portion would be £1,100 per tonne x 39,000 tonnes=£42.9m.

However, if the LME had used the clearing-house system, members would have been less likely to provide so much credit to the buffer-stock manager, because they would have been called for margin from the clearing house. The buffer-stock manager would have run out of credit much earlier, with smaller total liabilities. It was easy to anticipate that the buffer-stock manager would eventually run out of money, as he had done before, but it was not so easy to anticipate that he would be heavily committed in the forward market. Would the clearing house have been able to find out that the buffer-stock manager had a dominant position in the futures? That would depend on the clearing house being so well managed that it asked traders for the names of clients with large positions, in order that it could see the total position. In the US there are rules requiring such disclosure, but in the UK it is a discretionary matter.

What can we conclude? It appears that, if the LME had been a true futures market, trading need not have been stopped. The exposures of individual members would probably have been lower and an individual default would not have threatened other members. However, the loss borne by the clearing house would depend on how well it was managed and might still have been considerable. In short, the outcome would have been much improved, but not without painful repercussions.

Gordon Gemmill is Senior Lecturer in Commodity Economics at the City University Business School.

Algeria buys US wheat under export bonus scheme

BY FRANCIS GHILES

ALGERIA HAS bought 500,000 tonnes of wheat from the US, that is half the amount initially offered under the Bonus Incentive Commodity Export Programme (Bicep) launched by the US Agriculture Secretary, Mr John Block last June.

This total is made up of 300,000 tonnes of soft wheat the price of which has been brought down by between $40 and $54 a tonne to $103 and 200,000 tonnes of hard wheat with an average price cut of $45 a tonne to $111.

The $2bn US farm export subsidy programme is aimed at recapturing markets which have been lost by the US to foreign competitors as a result of what Washington considers are "unfair trading policies."

According to the International Wheat Council, the US was indeed the dominant force in supplying wheat to Algeria for many years. In the past six years however, its exports dropped, although not consistently, from 679,000 tons in 1979-1980 to about 450,000 in 1981-82 while EEC sales to Algeria rose from 564,000 tonnes to 1.65m.

The EEC meanwhile has just completed a sale of 200,000 tonnes of wheat to Algeria from its intervention stockpile. The prices paid by the Algerians is $111 a ton cif. The bulk of this wheat is expected to come from France.

Mozambique test drilling for oil starts next year

BY PATTI WALDMEIR, RECENTLY IN MAPUTO

SEISMIC TESTING for oil conducted by an Exxon/Shell joint venture in northern Mozambique has been completed and the first exploratory well is to be drilled early next year, according to Mozambique officials.

The director of ENH, the State oil company, Mr Mario Marques, said the two companies had found two possible drilling locations in their 2,000 sq km in the Rovuma River basin, onshore in Cabo Delgado Province in the extreme north of the country.

Mozambique is believed to possess commercially exploitable qualities of crude oil, although Mr Marques cautioned that no discovery has yet been made and that production could not be expected to begin before the early 1990s. It was hoped that the country could become a modest exporter of crude, to boost flagging receipts from traditional exports like cashew nuts and service income from its ports and railways.

Amoco Corporation, which has just completed a detailed seismic survey of two offshore blocks in the Zambezi delta area of central Mozambique, is also expected to drill its first well next year. British Petroleum, the fourth company searching for oil in the country, began seismic work early this year on a 2,000 sq km block in Mozambique's southern offshore area.

High prices cut EEC demand for cereal substitutes

BY JOHN BUCKLEY

STRONG PRICES for cereal substitutes, particularly maize gluten feed, are encouraging UK and other EEC animal feed compounders to cut usage and switch back to feed

In the past three weeks US grains, merchants report, maize gluten has leapt from $118 to $136 per tonne for nearby shipment to Rotterdam because of short supplies at origin. Dealers here blame falling demand for maize syrup sweetener which has forced production cutbacks and reduced output of the gluten by-product.

Despite the rise the Rotterdam cif market is still only $5 over the US fob value, making gluten uneconomical to ship. "Either the US market comes down to more reasonable levels or we go up in price and the trade dries up," commented one leading shipper. The irony is that gluten has in past seasons been at the centre of a trade row over EEC plans to restrict imports. "Now it seems the US is doing this for us through the free market," feed merchant said.

So far this year the EEC gluten imports have run almost 11 per cent under 1984 levels. In the January to August period the main buyers were: Holland 1,180,200 tonnes (1,223,100 last year); West Germany, 710,300 tonnes (920,900); the UK, 215,600 tonnes (238,800) and Belgium, 154,600 tonnes (163,400).

Demand for gluten often rises in the winter months as animal feed usage increases. Last year it was a strong favourite for on-farm mixing, often blended with silage to produce cheap feed. Off-takes in the UK is now expected to be confined largely to these "straight" feeds until price comes down.

Compound manufacturers also face rising costs of other raw materials. Rape seed meal jumped from £80 in late October to between £90 and £98 per tonne this week providing an unexpected bonus to crushers' margins. Although rape seed farmers have been quick to cash in by asking higher prices, a further boost to rape seed oil prices has helped to protect profits.

LONDON MARKETS

DEMAND FOR cash metal and firmer New York values helped to lift copper prices on the London Metal Exchange yesterday and the cash higher grade position reached £976.75 a tonne, adding £7.25 to Tuesday's £11.25 advance. The cash premium over three months widened from £22.75 to £27.75. Other base metals prices were down, mostly notably zinc, where the cash position lost £7.50 of Tuesday's £26 rise at £419.50 a tonne. The biggest mover among the softs was coffee, the January position losing £43 of the previous day's £83 advance at £1,873.50 a tonne. Dealers said the coffee market seemed to lack direction and its late sell-off was mainly a reflection of movements on the New York market. Operators were reported to be nervous ahead of today's expected US Agriculture Department report on the Brazilian coffee situation following the four-month drought, which broke two weeks ago.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	656-.5	—2.75	658.5/665
3 months	685-.5	—2.25	688/688.5

Official closing (am): cash 656.5-7 (657-.5), three months 681.5-2 (685.5). settlement 657 (657.5). Final kurb close: 682-2.5. Turnover: 13,575 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/low
Cash	976.5.7	+7.25	976.5/965
3 months	994-5	+2.25	994/984

Official closing (am): Cash 966-7 (957-.5), three months 985.5-6 (985-6). settlement 967 (957.5). Final kerb close: 990.5-1.

Cathodes			
Cash	950-3	+2.5	950/950
3 months	973-4	—1	—

Official closing (am): Cash 948-50 (935.5-7.5), three months 966-8 (967-8). settlement 950 (937.5). Turnover: 26,400 tonnes. US producer prices 86.0/70 cents per pound.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	284-5	—1	—
3 months	285-.5	—	286/281.5

Official closing (am): Cash 284-6 (278-9), three months 282-.5 (278-7), settlement 286 (279). Final kerb close: 283-4. Turnover: 7,475 tonnes. US spot: 18.75-20 cents per pound.

NICKEL

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	2830-50	—37.5	2840/2840
3 months	2860-80	—42.5	2910/2878

Official closing (am): Cash 2,840-5 (2,850-5), three months 2,865-70 (2,890-5). settlement 2,845 (2,855). Final kerb close: 2,865-70. Turnover: 348 tonnes.

ZINC

High grade	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	419-20	—7.5	415/416
3 months	424-5	—4	428/419

Official closing (am): Cash 417-8 (415-6), three months 424-5 (418-20). settlement — (418). Final kerb close 427-8. Turnover: 10,125 tonnes. US Prime Western: 32.5/35.75 cents a lb.

GOLD

Gold rose in late trading on the London bullion market, gaining $2½ to $326¼-326¾. For most of the day trading was quiet, with gold eventually rising after platinum had extended its premium over gold to more than $9 at the afternoon fixing. Gold opened at $324½-325, and was fixed at $324½ in the morning and afternoon. It touched a low of $324-324½, and a high of $326½-327.

GOLD BULLION (fine ounce) Nov. 15

Close	$326¼-326¾	(£229¼-229¾)
Opening	$324½-325	(£228¼-228¾)
M'n'g fix	$324.50	(£228.441)
Aft'n'n fix	$324.50	(£228.071)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$328¼-328¾	(£230¼-231)
½ Krug.	$173¼-176¼	(£121½-123¼)
¼ Krug.	$88½-89	(£62¼-62½)
1/10 Krug.	$36¼-36¾	(£25½-26¼)
Mapleleaf	$337-337½	(£237-237¼)
Angel	$334-336	(£234¾-236¼)
1/10 Angel	$36½-37½	(£25¾-26¼)
New Sov.	$78½-80	(£55-56¼)
½ New Sov	$47-47½	(£33-33½)
Old Sov.	$80-81½	(£56¼-57¼)
$20 Eagle	$400-500	(£280-351)
Noble Plat	$343½-347½	(£241¼-244¼)

SILVER

Silver was fixed 0.85p an ounce higher for spot delivery in the London bullion market yesterday at 430.75p. US cent equivalents of the fixing levels were: spot 612.5c, up 4.2c; three-month 624.35c, up 4.25c; six-month 636.15c, up 4.15c; and 12-month 667.7c, up 4.7c. The metal opened at 431-434p (612-615c) and closed at 434-437p (618-621c).

SILVER per troy	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	430.75p	+0.85	432.00p	+1.0
3 months	442.60p	+0.70	444.75p	+1.25
6 months	454.30p	+0.50	—	—
12 months	477.70p	+0.50	—	—

LME—Turnover: 45 (25) lots of 10,000 oz.

Cash high-low 429p; three months high/low 442p, final kerb 444-5p.

SUGAR

LONDON DAILY PRICE—Raw sugar $139.50 (£98.00), down $4.50 (down £4.00) a tonne for November-December delivery. White sugar $175.50, down $3.50

INDICES

FINANCIAL TIMES

Nov. 13	Nov. 12	M'th ago	Year ago
—*	—*	248.56	294.90

(Base: July 1 1952=100)

REUTERS

Nov. 13	Nov. 12	M'th ago	Year ago
1746.0	1741.4	1703.5	1674.6

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Nov. 12	Nov. 11	Month ago	Year ago
Spot	120.44	120.16	—	166.66
Fut.	121.34	120.02	—	169.04

(Base: December 31 1931 = 100)

*Not available due to suspension of tin on LME.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	Nov. 13 1985	+ or —	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt	$965/1005	+5	$1015/35
Copper			
Cash h Grade	£976.75	+7.25	£965.5
3 mths	£994.5	+2.25	£987.25
Gold Troy oz	$326.5	+2.75	$325.5
Lead Cash	£284.5	—1.0	£278.5
3 mths	£283.25		£282.5
Nickel			
Free Mkt	184/204c	+5	182/212c
Palladium oz	$101.20	+1.70	$101.40
Platinum oz	$334.95	+7.25	$319.60
Quicksilver†	$280/285		$279/285
Silver troy oz	430.75p	+0.85	440.70p
3 months	442.60p	+0.70	452.85p
Tin cash	‡		£8758
3 months	‡		£8652.5
Tungsten	$70.28		$66.75
Wolfram 22.04lb	$60/65		$62/68
Zinc	£419.5	—7.5	£451.5
3 months	£425	—4	£458
Producers	$960/870		$730
OILS			
Coconut (Phil)	$405w	—15	$445
Palm Malayan	$365z		$365
SEEDS			
Copra Phil	$255w	—5	‡
Soyabean (U.S.)	$223.65	+0.85	‡
GRAINS			
Barley Fut. Jan.	£110.40	+0.25	£109.70
Maize	£135.00		£157.00
Wheat Fut. Jan.	£111.60	+0.45	£109.00
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Mar.	£1679.5	—1.0	£1752.5
Coffee Ft. Jan.	£1873.5	—43.0	£1699
Cotton A Index	48.15c	+0.05	48.60c
Gas Oil Jan.	$266.75	+3.00	$268.75
Rubber (kilo)	55.0p	—0.5	56p
Sugar (raw)	$139.5w	—4.5	$136
Wooltops 64s	396p kilo		412p kilo

‡ Unquoted. x Dec-Jan. w Nov-Dec. u Dec. † Per 75 lb flask. c Cents per pound. z Jan.

COCOA

Although trading volume was only average futures moved over a good range and from lows of £20 off on the day rallied near the close to end the afternoon session at the highs. Producers continued withdrawn whilst consumers made light purchases at the lows, second hand activity was confined to the nears, however, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
Dec.	1631-1632	—2.0	1635-1615
March	1679-1680	—1.0	1685-1651
May	1706-1708	—3.0	1708-1690
July	1728-1735	—8.8	1735-1720
Sept.	1750-1757	—16.5	1765-1742
Dec.	1757-1763	—2.5	1759-1747
March	1765-1783	—5.5	—

Sales: 2,458 (2,615) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for Nov 13: 101.83 (101.15); five-day average for Nov 14: 101.72 (101.57).

COFFEE

Despite a sharp decline in NY the market opened relatively steady at £17-27 lower, reports Drexel Burnham Lambert. Trade buying took January above £1,900 but Commission House selling during a more active afternoon sent prices falling to the close.

COFFEE	Yesterday's Close	+ or —	Business Done
Nov.	1835-1837	—22.5	1870-1840
Jan.	1872-1875	—45.0	1919-1871
March	1876-1880	—50.0	1900-1871
May	1881-1889	—56.0	1912-1880
July	1893-1895	—61.0	1915-1891
Sept.	1895-1900	—60.0	1918-1900
Nov.	1895-1610	—10.0	1910-1600

Sales: 3,278 (3,589) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for November 12: Comp. daily 1979 139.87 (139.41): 15-day average 137.94 (136.97).

FREIGHT FUTURES

The overall tone of today's market was steadier with improvements noticeably in January and April 1986. Most of the buying interest was short covering with very light volume to satisfy buyers needs. The levels remained firm throughout the day, reports Clarkson Wolff. The Baltic Freight Index was 891.5, down 6.0 points.

	Close	High/Low	Prev.
Jan.	974/971	973/965	968/965
April	946/956	936/935	933/930
July	824/820	829/822	828/818
Oct.	914.5/912	916	917.5/910
Jan.	960/925	—	970/925
April	1040/950	—	1020/950
July	949/850	—	960/850
Oct.	1000/950	—	1000/950

Turnover: 66 (55).

GRAINS

The market always looked firm moving through contract highs as both export and consumer demand pushed physicals higher. Good shipper buying was noted with short covering outweighing profit-taking. Barley was less volatile remaining a touch steadier for

US MARKETS

PRECIOUS METALS traded modestly higher on cautious optimism the tin crisis might be close to resolution, reports Heinold Commodities. Copper and aluminium were also supported although cash dealers remained cautious ahead of the planned meetings by the ITC to consider new proposals from creditor banks. An upward revision in the estimated European crop by F.O. Licht prompted selling in sugar. Cocoa continued under pressure from adequate nearby availability. Coffee lost ground ahead of a USDA assessment of crop damage in rail along with forecasts for rain this weekend in Brazilian growing areas. Cotton firmed reflecting good movement into the US loan program and light cash sales which offset a larger than expected estimate of cotton production by USDA. The energy complex remained mixed with expectations of higher U.S. refinery runs benefitting crude oil at the expense of heating oil. The grain complex gained ground with wheat sharply higher on lower than expected stock levels on October 1. Soyabeans came under pressure on better cash offers from the Delta.

NEW YORK

ALUMINIUM 40,000 lb: cents/lb

	Close	High	Low	Prev
Nov	42.20	—	—	—
Dec	42.35	42.55	42.40	42.55
Jan	42.80	—	—	42.95
March	43.45	43.80	43.45	43.70
May	44.45	—	—	44.40
July	45.15	45.15	45.15	45.10
Sept	45.75	—	—	45.80
Dec	46.80	—	—	46.95
Jan	47.15	—	—	47.20

CHICAGO

CURRENCIES, MONEY and CAPITAL MARKETS

Dollar drifts but pound strong

The dollar closed weaker on the day in London, after quiet and featureless trading, but above Tuesday's closing level in New York. Today will see publication of the first major US economic statistic since the unemployment figures on the first of the month. After a sharp fall in US car sales in October, as low finance incentives came to an end, the market expects today's retail sales figures to be down by between 2 per cent and 3.5 per cent. Tomorrow's industrial production figures for the same month have been forecast to show a small rise, of perhaps 4.3 per cent, but both retail sales and industrial production are expected to provide further evidence that economic growth is sluggish. This has led to strong speculation that the Federal Reserve will cut its discount rate, although there is considerable difference of opinion about the timing of any move.

The dollar fell to DM 2.6150 from DM 2.6220; FFr 7.9675 from FFr 7.9925; SFr 2.1440 from SFr 2.1520; and Y203.95 from Y205.60. The Japanese yen was particularly strong, after Mr Satoshi Sumita, governor of the Bank of Japan, said the yen has not yet stabilised. This was taken to mean the central bank is looking for a level of under Y200 for the dollar.

On Bank of England figures the dollar's index fell to 129.3 from 129.8.

£ IN NEW YORK

	Nov. 13	Prev. close
£ Spot	$1.4240-4250	$1.4175-1.4185
1 month	0.44-0.42pm	0.45-0.41 pm
3 months	1.23-1.19pm	1.21-1.18 pm
12 months	3.88-3.78pm	3.38-3.73 pm

Forward premiums and discounts apply to the U.S. dollar

STERLING — Trading range against the dollar in 1985 is 1.4410 to 1.0525. October average 1.4217. The exchange rate index rose 0.2 to 79.5, finishing at the day's high. It opened unchanged at 79.3, and after touching an early low of 79.1, improved gradually during the day. Six months ago the index was 78.6.

Sterling gained ground, in spite of continued nervousness about oil prices. The Chancellor of the Exchequer's autumn statement appeared to be well received. Dealers were a little sceptical about the Treasury's growth forecast of 3 per cent for next year and about the outlook for inflation, but there was no adverse reaction to a further slight easing of London interest rates. The rise of 1.5 per cent in September UK industrial production was slightly above expectations and helped underpin the pound. Sterling rose 1.15 cents to $1.4235-1.4245, and also advanced to DM 3.7250 from DM 3.7025; FFr 11.3450 from FFr 11.29; and SFr 3.0525 from SFr 3.04, but was unchanged at Y290.50 against the strong yen.

D-MARK—Trading range against the dollar in 1985 is 3.4510 to 2.5960. October average 2.6443. Exchange rate index 127.6 against 121.7 six months ago.

The D-mark improved against the dollar in quiet Frankfurt trading, waiting for today's figures on US retail sales and tomorrow's US industrial production and producer prices data. The dollar touched a mid-morning low of DM 2.6075, and was fixed at DM 2.6107, compared with DM 2.6238 on Tuesday. The Bundesbank did not intervene at the fixing, and was not seen on the open market. Speculation that slow economic growth will encourage the Federal Reserve to cut its discount rate depressed the dollar, but it remained within its recent trading range of DM 2.60 to DM 2.64, closing at DM 2.6110 compared with DM 2.6240 previously.

POUND SPOT—FORWARD AGAINST POUND

Nov 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4135-1.4270	1.4235-1.4245	0.40-0.37c pm	3.24	1.20-1.17 pm	3.33
Canada	1.9515-1.9675	1.9645-1.9675	0.47-0.38c pm	2.60	1.38-1.24 pm	2.67
Nethlnd	4.16¾-4.20	4.19-4.20	2-1¾c pm	6.37	5¼-5½ pm	5.37
Belgium	74.68-75.28	75.05-75.16	20-15c pm	2.80	60-51 pm	2.96
Denmark	13.38½-13.50	13.45½-13.46½	2¾-1¼ore pm	2.01	7½-6¼ pm	2.06
Ireland	1.1962-1.2034	1.2019-1.2029	0.21-0.07p pm	1.40	0.51-0.21 pm	1.20
W. Ger	3.69½-3.73	3.72-3.73	2⅞-2pf pm	8.66	6¾-6¼ pm	6.66
Portugal	230¼-232¾	231¼-232¾	140-390c dis	−13.83	500-1290dis	−15.48
Spain	227.44-229.07	228.77-229.07	40-105c dis	−3.82	155-305dis	−4.04
Italy	2496½-2517¾	2514¾-2515¾	3-6lire dis	−2.15	10-10 dis	−1.63
Norway	11.13½-11.22½	11.20-11.21	¾-1¼ore dis	−0.81	2½-3½ dis	−1.07
France	11.28-11.35	11.34-11.35	2¾-1⅞c pm	2.25	6¾-5¼ pm	2.01
Sweden	11.13¾-11.20¾	11.19-11.20	2¾-3½ore dis	−2.82	5-6 dis	1.97
Japan	289¾-291	290-291	0.89-0.72y pm	3.33	2.45-2.28 pm	3.24
Austria	26.02-26.18	26.14-26.18	14½-12¼gro pm	6.22	38¼-34 pm	5.54
Switz	3.03-3.05¾	3.04¾-3.05¾	2¾-2c pm	6.12	6¾-5½ pm	7.38

Belgian rate is for convertible francs. Financial franc 75.50-75.60. Six-month forward dollar 2.18-2.14c pm. 12-month 3.80-3.85c pm.

DOLLAR SPOT — FORWARD AGAINST DOLLAR

Nov 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4135-1.4270	1.4235-1.4245	0.40-0.37c pm	3.24	1.20-1.17 pm	3.33
Ireland†	1.1815-1.1860	1.1823-1.1833	0.23-0.13c pm	1.82	0.75-0.50 pm	2.11
Canada	1.3778-1.3805	1.3795-1.3806	0.06-0.09c dis	−0.65	0.20-0.25dis	−0.65
Nethlnd	2.9300-2.9500	2.9450-2.9460	0.52-0.49c pm	2.06	1.54-1.51 pm	2.08
Belgium	52.65-52.80	52.70-52.80	1-2½c dis	−0.40	4-6 dis	−0.38
Denmark	9.43-9.47	9.45-9.45½	¾-1¼ore dis	−1.27	2¾-3¼ dis	−1.27
W. Ger	2.6075-2.6185	2.6145-2.6155	0.79-0.74pf pm	3.52	2.21-2.16 pm	3.35
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.00-53.10.

EXCHANGE CROSS RATES

[illegible]

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

[illegible]

Long-term Eurodollars: two years 8⅝-8⅞ per cent; three years 9¼-9½ per cent; four years 9½-9¾ per cent; five years 9¾-9⅞ per cent nominal. Short-term rates are call for US Dollars and Japanese yen; others, two days' notice.

CURRENCY MOVEMENTS

Nov. 13	Bank of England Index	Morgan Guaranty Change %
Sterling	79.5	−10.8
U.S. dollar	129.5	+17.0
Canadian dollar	82.0	−0.8
Austrian schilling	118.8	+5.0
Belgian franc	82.3	−0.6
Danish Kroner	81.0	−5.5
Deutsche mark	127.0	+0.8
Swiss franc	151.0	+13.5
Guilder	118.3	+5.0
French franc	68.7	−18.5
Lira	44.6	−10.8
Yen	179.5	+30.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

[illegible]

* CS/SDR rate for November 8: 1.47804.

OTHER CURRENCIES

[illegible]

* Selling rate.

STERLING INDEX

	Nov 12	Previous
8.30 am	79.3	79.4
9.00 am	79.1	79.4
10.00 am	79.2	79.8
11.00 am	79.3	79.3
Noon	79.3	79.3
1.00 pm	79.4	79.3
2.00 pm	79.4	79.3
3.00 pm	79.4	79.3
4.00 pm	79.5	79.3

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.5804	−0.56	+0.41	±1.5425
Danish Krone	8.12857	7.98464	−1.77	−0.80	±1.6421
German D-mark	2.23840	2.20788	−1.36	−0.39	±1.1455
French Franc	6.86402	6.72680	−2.00	−1.03	±1.3654
Dutch Guilder	2.52208	2.48693	−1.39	−0.42	±1.5162
Irish Punt	0.724578	0.713894	−1.47	−0.50	±1.6673
Italian Lira	1520.60	1489.96	−2.01	−1.79	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FUTURES AND OPTIONS

Late selling

Prices were mostly firmer in the London International Financial Futures Exchange yesterday but finished below the day's highs on late profit taking. Sterling based instruments retained a firm undertone, helped by sterling's stronger performance. In addition cash rates were a little softer and although there was little talk of a cut in base rates, there were occasional moments of guarded optimism.

Tuesday's statement by Mr Nigel Lawson, Chancellor of the Exchequer, was generally well received as it included strong hopes of lower inflation and a sound economic base. After a firm start there was a brief attempt at a sell off, following the release of UK industrial production figures but this quickly ran out of steam and the firmer trend resumed. Much of the day's gains were wiped out in the last half hour however on profit taking.

Dollar contracts retreated as profit taking developed ahead of today's US economic statistics. However these are expected to provide further evidence of an economic slowdown, reviving pressure on the Federal authorities to ease their monetary stance. Today sees the release of retail sales with producer prices and industrial production due tomorrow. Sentiment was also affected by the relatively high level of Fed funds.

US bond prices opened firmer, reflecting a shortage of paper caused by the debt ceiling problem. There was little follow through demand however and news of a temporary rise in the debt ceiling encouraged further selling ahead of the release of US statistics. The December Treasury bond opened at 80-19 up from 80-05 and touched 80-20 before slipping to 80-07 at the close. The March price for three-month Euro-dollar deposits which attracted a higher volume than the December contract, ended at 91.97 after a high of 92.05.

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4240	1.4202	1.4122	1.4024	1.3868

IMM—STERLING $s per £

	Latest	High	Low	Prev
Dec	1.4225	1.4225	1.4166	1.4100
March	1.4110	1.4110	1.4055	1.3985
June	1.3970	1.3970	—	1.3900

LIFFE—STERLING £25,000 $s per £

	Close	High	Low	Prev
Dec	1.4190	1.4215	1.4130	1.4100
March	1.4077	1.4091	1.4030	1.3985
June	1.3982	—	—	1.3885

Estimated volume 162 (65)
Previous day's open int 3,955 (3,959)

LIFFE—DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3838	0.3843	0.3838	0.3824
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 8 (10)
Previous day's open int 421 (427)

LONDON

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

[illegible]

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

[illegible]

THREE-MONTH STERLING £500,000 points of 100%

[illegible]

FT-SE 100 INDEX £25 per full index point

[illegible]

THREE-MONTH EURODOLLAR $1m points of 100%

[illegible]

LIFFE—EURODOLLAR OPTIONS $1m points of 100%

[illegible]

LIFFE £/$ OPTIONS £25,000 (cents per £1)

[illegible]

LONDON SE £/$ OPTIONS £12,500 (cents per £1)

[illegible]

PHILADELPHIA SE £/$ OPTIONS £12,500 (cents per £1)

[illegible]

US TREASURY BONDS 8% $100,000 32nds of 100%

[illegible]

CHICAGO

US TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

[illegible]

US TREASURY BILLS (IMM) $1m points of 100%

[illegible]

CERT DEPOSIT (IMM) $1m points of 100%

[illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

[illegible]

MONEY MARKETS

UK rates easier but cautious

Interest rates were slightly easier in London yesterday but although there appeared a brief glimmer of optimism from time to time, the market remained cautious over the prospect of a cut in clearing bank base rates. This was shown in the yield curve structure which failed to plot any significant reverse trend towards the longer dates. Sterling was firmer after a hesitant start but much also depends on the timing of any possible cut in the US discount rate.

Three-month interbank money eased to 11⅛-11¼ per cent from 11¼-11⅜ per cent while three-month eligible bank bills were bid at 11⅛-11⅟₁₆ per cent compared with 11⅟₁₆ per cent. Overnight money rates eased to around 4 per cent after touching a high of 11 per cent.

The Bank of England forecast a shortage of around £400m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £161m and the unwinding of previous sale and repurchase agreements a further £330m. There was also a rise in the note circulation of £95m. These were partly offset by Exchequer transactions which added £180m.

The forecast was revised to a shortage of around £500m and the Bank gave assistance in the morning of £278m, comprising outright purchases of £205m of eligible bank bills in band 2 at 11⅟₁₆ per cent and £19m in band 3 at 11¼ per cent. In band 4 it bought £18m of Treasury bills and £36m of eligible bank bills all at 11⅟₁₆ per cent. The forecast was revised once more, before taking into account the earlier help, to a shortage of around £550m and the Bank gave additional assistance of £276m. This comprised outright purchase of £164m of eligible bank bills in band 2 at 11⅟₁₆ per cent, £72m in band 3 at 11¼ per cent and £40m in band 4 at 11⅟₁₆ per cent. Total help was £554m.

In Brussels the Belgian central bank cuts its discount rate to 8¾ per cent from 9 per cent. This is its lowest level for six and a half years and provided further evidence of growing international confidence in the Belgian franc. The latter has performed very well in the face of a sharply weaker dollar, an occurrence which usually boosts the D-mark and exerts downward pressure on traditionally weak currencies. The central bank also cut the rate on ordinary advances from 9½ per cent to 9 per cent. Both changes are effective today

UK clearing banks base lending rate 11½ per cent since July 30

NEW YORK RATES

(Lunchtime)

Prime rate	9½
Broker loan rate	8
Fed funds	7¹⁵⁄₁₆
Fed funds at intervention	—
Treasury Bills & Bonds	
One-month	6.89
Two-month	7.10
Three-month	7.50
Six-month	7.65
One-year	7.84
Two-year	8.46
Three-year	8.86
Four-year	9.10
Five-year	9.27
Seven-year	9.57
10-year	9.77
30-year	10.06

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov. 13)

Three months U.S. dollars		Six months U.S. dollars	
bid 7 15/16	offer 8 1/16	bid 7 15/16	offer 8 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust

LONDON MONEY RATES

Nov. 13	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	4-11	10⅞-11⅛	11⅛-11¼	11⅛-11¼	11⅛-11¼	11⅛-11¼
Sterling CDs	—	—	11⅛-11¼	11⅛-11⅛	11⅛-11⅛	11⅛-11⅛
Local Authority Depos	10⅞-11	11⅛-11¼	11⅛	11⅛	11⅛	11⅛
Local Authority Bonds	—	—	16⅛	11⅛	11¼	11½
Discount Mkt Depos	5-11	11-11¼	11⅛	11¼	—	—
Company Depos	7½-10¾	11⅛	11⅛	11⅛	—	—
Finance House Depos	—	—	11⅛	11⅛	11⅛	11¼
Treasury Bills (Buy)	—	—	11⅛	11⅛	—	—
Bank Bills (Buy)	—	—	11⅛	11⅛-11⅛	10⅞	—
Fine Trade Bills (Buy)	—	—	11⅞	11⅛	11⅛	—
Dollar CDs	—	—	7.85-7.95	7.85-7.95	7.85-7.95	8.0-8.1
SDR Linked Depos	—	—	7¾-8	7⅞-8⅛	7⅞-8⅛	7⅞-8⅛
ECU Depos	—	—	8⅛-8⅜	8⅛-8⅜	8⅛-8⅝	8⅛-8⅜

Treasury Bills (sell): one-month 11½ per cent; three months 11⅛ per cent. Bank Bills (sell): one-month 11⅛ per cent; three-months 11⅟₁₆ per cent. Treasury Bills: Average tender rate of discount 11.1393 per cent. ECGD fixed finance scheme IV reference rate: October 2 to November 5 (inclusive): 11.698 per cent. Local authority and Finance Houses seven days' notice, others seven day's fixed. Finance Houses Base Rate 12 per cent from November 1 1985. Bank Deposit Rates for sums at seven days' notice 8.25-8.625 per cent (net). Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 11½ per cent; one-three months 11½ per cent; three-six months 11½ per cent; six-nine months 11½ per cent; nine-12 months 11½ per cent. Under £100,000 10¾ per cent from November 12. Deposits held under Series 5 11¼ per cent. Deposits withdrawn for cash 7½ per cent.

MONEY RATES

Nov. 13	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lombard In'v'ation
Frankfurt	4.50-4.55	4.0-4.7	4.75-4.85	4.75-4.85	4.80-4.90	5.5
Paris	9⅛	9⅛-9¼	9⅛-9¼	9⅛-9¼	9⅛-9¼	9⅛
Zurich	3¼-1⅛	3⅞-3⅞	—	4-4¼	—	—
Amsterdam	5⅛-5¼	5⅞-6	—	9¼-6	5⅞-6	—
Tokyo	7.34375	7.84375	—	7.84375	—	—
Milan	14⅛-14¼	14¼-14⅛	—	14⅛-14⅛	—	—
Brussels	8.05	8⅛-8⅜	—	8⅛-8⅛	—	—
Dublin	9¼-10	8⅞-10⅛	30-10¼	10⅛-10⅛	10¼-10⅛	—

Company Notices

UNILEVER N.V.

DIVIDEND ON CERTIFICATES FOR ORDINARY CAPITAL ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

Interim dividend payments in respect of the year 1985 will be made on or after 18 December 1985 as follows:—

SUB-SHARES OF FL 12
IN THE NAME OF MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY LIMITED now MIDLAND BANK TRUST COMPANY LIMITED

A dividend, Serial No 115 of Fl.2.7960 per sub-share, equivalent to 66.7542p converted at Fl 4.1885 = £1.

DUTCH DIVIDEND TAX relief is given by certain Tax Conventions concluded by the Netherlands. A resident of a convention country will, generally, be liable to Dutch dividend tax at only 15% (Fl.0.4194, 10.0131p per sub-share) provided the appropriate Dutch exemption form is submitted. No form is required from UK residents if the dividend is claimed within six months from the above date. If the sub-shares are owned by a UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands, Dutch dividend tax at 25% (Fl.0.6990, 16.6888p per sub-share) will be deducted and will be allowed as credit against the tax payable on the profits of the establishment. Residents of non-convention countries are liable to Dutch dividend tax at 25%.

UK INCOME TAX at the reduced rate of 15% (10.0131p per sub-share) on the gross amount will be deducted from payments made to UK residents instead of at the basic rate of 30%. This represents a provisional allowance of credit at the rate of 15% for the Dutch dividend tax already withheld. No UK income tax will be deducted from payments to non-UK residents who submit an Inland Revenue Affidavit of non-residence in the UK.

To obtain payment of the dividend sub-share certificates must be listed on Listing Forms obtainable from:—

Midland Bank plc, Stock Exchange Services Dept., Mariner House, Pepys Street, London, EC3N 4DA

Northern Bank Limited, 2 Waring Street, Belfast B11 2EE

Allied Irish Banks plc, Securities Dept., Stock Exchange, Bank Centre, Ballsbridge, Dublin 4

Clydesdale Bank PLC, 30 St Vincent Place, Glasgow

Separate forms are available for use (a) by Banks, UK firms of Stockbrokers, Solicitors or Chartered Accountants (b) by other claimants. Notes on the procedure, in each case, are printed on the forms.

DUTCH CERTIFICATES OF FL 1000, FL 100 and FL 20

A dividend of Fl 4.66 per FL20 against surrender of Coupon No 118. Coupons may be encashed through one of the paying agents in the Netherlands or through Midland Bank plc; in the latter case they must be listed on the special form, obtainable from the Bank, which contains a declaration that the certificates do not belong to a Netherlands resident. Instructions for claiming relief from Dutch dividend and UK income tax are as set out above except that UK residents liable to Dutch dividend tax at only 15% must submit a Dutch exemption form. Dutch dividend tax on this dividend is Fl.1.1650 at 25% and Fl 0.6990 at 15%. The proceeds from the encashment of coupons through a paying agent in the Netherlands will be credited to a convertible florins account with a bank or broker in the Netherlands.

A statement of the procedure for claiming relief from Dutch dividend tax and for the encashment of coupons, including names of paying agents and convention countries, can be obtained from Midland Bank plc at the above address or from the London Transfer Office.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR
London Transfer Office, Unilever House, Blackfriars, London EC4P 4BQ.
12 November 1985.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
45	34	Macfarlane (P & W) 20p	44					
78	46	Magnolia Group	78	+4	†1.7	2.3	5.5	9.1
60	28	♣Mainmet Hldgs 10p	55	−3	2.6	3.0	4.8	9.5
515	202	Man. Ship Can. £1	473	−2	—	—	—	89.8
114	70	Marley	112		5.5	3.5	1.7	24.9
107	52	Marling Ind. 10p	93		3.75	2.2	4.7	13.7
82	36	Marshall L'ey 'A'	70	+7	4.5	5.1	2.3	11.9
77	55	Marshall's Universal	70	+2	†2.4	4.9	4.4	5.6
89	78	Do. 7pcCnRedPf £1	89		12.0	1.4	4.1	22.2
£105	£81	♣Mathesons 7¼%	£105		7¼%	—	12.0	—
35	15	♣Marrtrust 1p	39	+2	Q7¼%	2.3	17.6	—
561	315	Metal Box £1	545		—	—	—	—
170	110	Metal Closures	118	+1	17.25	3.1	4.5	8.2
17	3	♣Metal Sciences 2½p	5½	−2	6.7	2.0	8.1	7.4
104	63	♣Midland Marts	77		—	—	—	—
83½	55½	Mitchell Cotts	76	+½	4.0	2.1	7.5	9.1
230	182	Morgan Crucible	199xd		4.25	2.0	8.3	(7.4)
33	22	♣Morris (W.) F & 20p	26		18.0	1.6	5.7	11.8
131	91	Moss Robt 10p	125		9.0	♦	2.7	♦
81	60	Mysor Grp 10p	65	+1	3.0	2.5	3.4	13.0
328	214	♣NMW Computers	285	−5	2.5	3.4	5.6	12.2
43	28	Nash Inds.	32		8.0	2.7	2.4	21.9
48	35	Neill & Spencer 10p	15		12.5	1.5	‡	7.4
44	14½	Newman Inds 10p	34	+3	—	—	—	4.5
46	26	Nolton	44xd		20.3	—	1.3	(16.1)
214	146	Norcros	208		11.17	♦	3.0	♦
67	45	No-Swift 5p	47		8.6	2.2	5.9	10.4
114	68	Oakwood Grp	102		†3.0	1.9	9.1	7.6
250	150	Office & Elect	212		†9.5	1.4	6.3	15.8
108	75	Oldacre 20p	88	+1	†7.5	2.6	5.1	10.9
58	37	♣Osometrics $0.01	48	−3	4.0	2.6	6.5	7.0
495	512½	Ordnance £1	445		20.2	—	3.9	—
18	6	Owenstone 17½c	8		†2.5	1.8	5.3	10.5
£206	£158	Ozalid 9pc Cnv 87-92	£206	+4	Q3.2	1.9	10.5	5.0
185	180	♣PCT Grp 10p	180		Q9%	—	—	—
£14	850	PLM B Sk 25	950		5.2	1.2	6.8	(24.6)
193	120	PSM Intl	120xd	−2	Q21.6%	5.0	4.9	41.1
170	115	♣Pacer Systems $0.01	152	+7	md5.29	2.5	6.2	8.2
68	50	♣Pacific Sales 10p	62		bu3.84	—	2.8	—
274	165	Parker Knoll 'A'	250	−4	10	2.1	6.9	8.1

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
212	172	♣Central TV N/V 50p	212		10.5	2.3	7.1	0.8
235	170	Chrysalis	232		5.6	2.6	3.4	15.0
52	7	♣Entertain Prod 5p	30		bd2.25	2.1	32.1	1.8
79	50	Fairline Boats 10p	77		†2.63	2.6	4.9	10.9
391	228	First Leisure £1	380	−2	16.5	2.2	7.4	17.7
69	51	GRA Group 5p	64		—	—	—	88.1
32	25	Grampian TV A 10p	30		th1.67	♦	7.4	♦
172	117	HTV Non/Vtg	172		7.7	2.9	6.4	7.6
148	78	Horizon	95		4.4	3.6	6.6	4.2
184	90	Insight	158		†12.5	6.5	7.5	1.8
140	102	Intl Leisure 10p	103		4.8	3.1	6.7	5.6
232	105	Juliana's Hldgs 2p	105		†2.0	1.8	2.4	17.3
300	217	LWT	283		14.4	2.3	7.3	8.6
38	25	♣Leisure Inv 10p	33		—	—	—	♦
65	51	LeisureTime Int 10p	54		†7.1	3.9	5.6	5.8
115	98	♣Lexmar	108		bd2.63	1.0	3.5	13.1
183	155	♣Media Tech Int 20p	160		g2.58	5.4	2.3	11.0
205	124	Mettoy	155		5.35	♦	5.0	♦
280	175	♣Miss World 10p	220		3.6	4.1	2.3	15.0
127½	70	Mountleigh Leisure	72		3.75	2.5	7.4	6.4
39	11½	♣Nimslo Int 20c	13½	−1	—	—	—	—
27	19½	♣Owners Abroad	22½	+½	1.0	2.2	6.3	10.0
53	38	Photax (Lon)	38		—	—	—	—
24½	10	♣P'dilly Radio NV 5p	20	+1	1.87	1.1	12.4	9.9
90	30	♣Pineapple Dnc St 10p	42	+2	1.5	1.2	5.1	22.6
342	183	Pleasurama 5p	340	−2	4.6	3.7	1.9	20.2
161	109	Do. 7pcCvCmRedPf	161	+1	7%	—	6.2	—
96	77½	♣Pres Entertain 50p	87	+1½	2.0	7.1	3.3	20.6
65	18	♣Radio City 'A' NV	18		5.6	0.9	‡	3.6
55	37	♣Radio Clyde N/V	37		3.25	2.0	12.5	5.4
63	34	Riley Leisure 10p	44		0.7	—	‡	—
193	143	Saga Hols. 20p	192		4.0	2.1	3.0	20.5
300	108	Samuelson Grp 20p	275		1.8	6.0	0.9	20.8
42	25	♣Saxons Photo 10p	33	−1	2.0	1.9	8.7	8.6
202	110	♣Scandro 50p	140xd		g3.60	2.6	3.7	13.6
180	128	Scott TV 'A' 10p	180	+4	18.8	2.8	7.0	7.4
508	263	SeaCo Inc $0.125	281	−7	—	—	—	—
15	7	♣Select TV 10p	30		—	—	—	—
140	10	♣Spectrum 5p	13		sq2.0	4.0	‡	14

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

FINANCE, LAND—Cont.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

MINES—Continued

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
375	195	Northgate C$1	225	+5	—	—	—
685	520	RTZ	538	+5	†20.0	2.8	5.3
£145½	£116½	Do. 9½pcLn '95-2000	£120	+1	Q9½%	14.0	(8.2)
980	802	♣Tara Expln $1	910		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 10 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities
- †† Dealt in under Rule 535(3)
- ¶ Price at time of suspension
- ● Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast
- ♠ Merger bid or reorganisation in progress
- & Not comparable
- ◆ Same interim: reduced final and/or reduced earnings indicated
- ◊ Forecast dividend, cover on earnings updated by latest interim statement
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. ## Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	100	Arnotts	228
Craig & Rose £1	800	CPI Hldgs	63
Finlay Pkg. 5p	54	Carroll Inds	139
Holt (Jos) 25p	720	Dublin Gas	85
IoM Stm. £1	77	Hall (R & H)	60
IRISH		Heiton Hldgs	21
Fund 11¼% 1988	£200½	Irish Ropes	45
Nat. 9¾% 84/89	£95¼ +⅛	Unidare	112
Fin. 13% 97/02	£104½		

"Recent Issues" and "Rights" Page 42
(International Edition Page 34)

LONDON STOCK EXCHANGE

MARKET REPORT

Lawson's optimism drives FT-SE index through 1400 before limited late reaction

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Oct 28	Nov 7	Nov 8	Nov 18
Nov 11	Nov 21	Nov 22	Dec 2
Nov 25	Dec 5	Dec 6	Dec 16

* "New-time" dealings may take place from 5.30 am two business days earlier.

Investors gave the Chancellor's *economic statement an enthusiastic* reception yesterday. Share prices surged higher across the board and in the mid-afternoon the FT-SE 100 share index for the first time crossed the 1400 level to 1400.5, before easing to close 15.3 up on the day at a best-ever 1396.9. The FT Ordinary share index also took a step forward to end 14.2 higher at a record 1088.8.

A resumption of the London market's good run was supported by Mr Lawson's optimistic assessment of prospects for UK growth and inflation. His unveiling of a £t4bn-plus privatisation programme to hold down public spending levels was another boost to sentiment.

Sustained institutional buying soon absorbed offerings, described as profit-taking, by one or two smaller institutions and also private clients. Continuation of the demand later uncovered market shortages of stock of many top-quality issues with recently-overlooked ICI a prime example. Helped by a market re-rating following Beecham's unexciting interim profits on Monday, ICI were heavily bought by domestic and overseas sources.

Confirmation of increased Government spending on public works swept selected Building issues higher, and sectors such as Stores and Foods were stimulated by hopes of a record Christmas business. Bid speculation intensified, embracing leading and secondary industrials while trading statements brought firm features throughout the market. Late afternoon trade was enlivened by reports, later confirmed, that British and Commonwealth had sold its 21 per cent stake in Exco International; the Kuwait Investment Office was said to be the buyer.

The burst of enthusiasm filtered through to Government securities. Overshadowed for several weeks by a buyout equity market, Gilt-edged stocks responded to revived demand. Part of this represented bear-covering but there was enough genuine buying to help exhaust the authorities' remaining supply of Conversion 9½ per cent 2005 at a cut price of 93⅞. Longer-dated maturities afterwards came away from the best levels to settle a net ⅛ up, while the shorts managed gains of around ⅛. Index-linked stocks sustained losses extending to ¼ reflecting the outlook for inflation.

CU & GA please

Better-than-expected third-quarter figures from Commercial Union and General Accident paved the way for a firm session in Composite Insurances. News of CU's deficit of £3.9m over the nine-month period surprised dealers who had expected losses in the region of £20m-plus; the shares touched 260p before reacting on profit-sharing to close at the overnight level of 253p. GA's third-quarter profit figure of just over £11m exceeded expectations by around £2¼m and the shares closed 10 better at 720p, after 730p. Royals, due to report nine-month results today, jumped 20 to 730p, after 738p. GRE added 16 at 741p, after 748p, and Sun Alliance put on 17 at 555p. Life issues also performed well with Pearl up ¼ further to a 1985 peak of £14 on continuing takeover gossip. Legal and General added 18 at 730p, while improvements of 16 and 17 respectively were seen in London and Manchester, 858p, and Prudential, 750p.

Clearing banks contributed to the buoyant trend. Lloyds led the way with a rise of 12 at 500p. Barclays put on 7 at 453p as did NatWest at 703p. Midland improved 5 to 453p.

Unlisted Securities Market newcomer TMD Advertising made a bright start; the shares, placed at 118p, opened at 119p and moved up to 128p before settling at 125p. Magnetic Metals, however, which faded badly in first-time dealings in the USM on Tuesday, again lacked support and dipped to 100p prior to closing 7 down at 103p compared with the placing price of 114p.

Matthew Brown jumped 18 to a 1985 peak of 535p on hopes that Scottish and Newcastle will return with a new bid following the Monopolies Commission's clearance. Other Regional breweries, however, paid heed to the MC's warning that any further proposed takeover in the sector will result in an automatic enquiry and closed lower throughout. After Tuesday's shake-up, Vaux and Wolverhampton and Dudley lost 7 apiece to the common level of 363p, while Greene King eased 5 afresh at 220p.

Distillers, 8 higher at 476p, after 478p, reflected Press speculation of an imminent bid from Argyll of 480p per share and talk that the company's interim results had been brought forward a month to November 21.

Leading Building material issues responded positively to the sanction of extra funds for housing and roads in the Chancellor's autumn statement. RMC again figured prominently, rising 12 to 490p, while Tarmac gained 8 to 394p and Blue Circle firmed 5 to 575p. Selected Contracting and Constructions also attracted buyers. John Mowlem touched 334p prior to closing a net 10 up at 332p, while French Kier improved 5 to 224p. SGB, the subject of a bid from BET, advanced to 262p before settling 4 higher at 258p. McCarthy and Stone rose 15 to 285p. Polypipe attracted further buying and gained 10 for a two-day rise of 24 to 178p. Against the trend, USM-quoted Access Satellite encountered scrappy selling and dipped to 130p before settling 9 down on balance at 135p.

ICI were one of the day's best performers and touched 707p on sizeable domestic and US demand before closing 23 higher on the day at 700p. Among other Chemicals, Laporte rose 8 to a year's high of 358p, while Rentokil, still reflecting favourable comment, added 3 more to 158p.

Stores good

Encouraged by the Chancellor's optimistic forecast on inflation and taxation and still hopeful of a pre-Christmas consumer spending boom, leading Stores made good progress. Marks and Spencer added 4 at 183p and Burton put on 15 to 595p. Gussies A gained 8 at 880p, while Dixons firmed 7 to 352p. British Home Stores improved 5 to 325p amid vague rumours of a stake build-up. Elsewhere, A. Goldberg rose a couple of pence to 83p, after 87p, following the interim profits recovery, while Bentalls continued firmly at 156p, up 10.

Thorn EMI provided the main feature in the Electricals, advancing 18 to 402p. Plessey closed 2 firmer at 140p, after 144p, around 4m shares were reported to have been placed through the market yesterday. Elsewhere, Volex moved up 10 to 245p awaiting next Monday's interim figures, but Acorn, still reflecting competition worries, met with nervous offerings and touched 28p before settling at 31p for a fall of 10 on the day. Logica remained a poor market at 114p, down 6, but bright spots included Oxford Instruments, 10 dearer at 400p, Bowthorpe, a like amount up at 380p, and Unitech, 9 firmer at 193p.

Interest in the Engineering sector remained at a relatively low ebb. Laird Group hardened 3 to 217p on the Hong Kong Mass Transit Railway contract. Renewed speculative activity left C. H. Bailey, up 4½ more at 29½p, after 30½p, and Bristol Channel Ship a penny firmer at 5p; C. H. Bailey announced yesterday that it had reduced its holding in Bristol Channel Ship by 900,000 shares.

United Biscuits, the Food sector's current takeover favourite, gained 7 more to 212p, after 213p; UB announced details of a management reorganisation yesterday. Rowntree Mackintosh found support at 392p, up 7, while Cadbury Schweppes, a dull counter on Tuesday, picked up 3 to 148p. Among Retailors, Tesco touched 303p following the interim results before slipping back on profit-taking to close 3 cheaper on balance at 295p. Recently overlooked Kwik Save firmed 4 to 236p. Elsewhere, Whitworth responded to country buying with a rise of 18 to 108p, while Somportex gained 5 more to 165p, after 168p. Bluebird Confectionery were marked down 5 to 60p following details of trading losses.

Trusthouse Forte revived strongly on vague US bid rumours and closed 8 higher at 155p. Ladbroke firmed 4 to 330p on news of the Manhattan Tower lettings.

Smith Inds. up

Smiths Industries responded smartly to the better-than-expected preliminary figures with a rise of 8 to 240p, after 242p. Pharmaceutical issues attracted fresh demand, in particular Glaxo, which advanced ¼ more to £15¼. Fisons rose 17 to 428p, while Beecham took a distinct turn for the better at 293p, up 7, after the setback earlier in the week on the disappointing half-year figures. Boots, reflecting revived demand for store shares, advanced 6 to 226p: the interim results are due next Thursday. Further consideration of the £42m US acquisition prompted a rally of 7 to 290p in Pilkington Bros, while Unilever hardened ⅛ to £11⅞ following comment on the third-quarter figures. Outside of the leaders, Redfearn National Glass advanced 29 to 118p on the recovery in the annual profits. Stat-Plus, reflecting a newsletter recommendation, rose 10 to 185p, but Ecobric fell 3½ to 11½p on the interim profits deficit. Cookson continued to attract buyers and put on 13 further to 385p. Brammer responded to fresh speculative demand and touched 348p before settling 13 to the good at 385p. Bestobell were supported at 255p, up 25, along with BBA Group, 6 firmer at 147p. De La Rue, at 800p, regained most of the previous day's fall of 25 which followed disappointing interim figures.

Lucas firmed a couple of pence more to 475p on further consideration of the annual results and accompanying rights issue. Automotive Products moved up 4 more to 101p, after 104p, in sympathy.

Newspapers and paper and printing issues were highlighted by Bunzl which raced ahead to close 28 firmer at a year's high of 525p following a buy recommendation issued by a leading broker. William Collins improved 30 to 460p and the "A" 28 to 310p.

Land Securities revealed interim profits some £1m above market estimates and the close was 4 higher at 323p, after a year's high of 325p. Elsewhere in the Property sector, Regalian featured with a rise of 50 at 360p in response to more-than-doubled interim profits and the proposed £8.85m rights issue. Abaco gained 5 to 22p on the announcement that St Mary Axe Holdings, a subsidiary of British and Commonwealth Shipping, together with Gartmore Information and Financial Trust had acquired a 16.5 per cent stake in the company and news that John Gunn, a director of British and Commonwealth, had joined the Abaco board.

Exco soared to 237p on rumours that British and Commonwealth had sold its 21.4 per cent shareholding in the company. Later it was confirmed that the stake had been placed at around 215p per share and Exco reacted sharply to close a net 8 down on balance at 217p; B & C rose 7 to 332p.

Oils subdued

Interest in the leading oils remained at a low level but small buying, encouraged by the general wave of optimism throughout the domestic equity sector, enabled BP to harden a few pence to 553p. Shell rose 6 to 668p and Britoil edged up 2 to 210p. Third-quarter results from Ultramar were in line with market forecasts and the latter's shares ended the day little changed at 210p.

Secondary oils showed Jebsens Drilling a weak market initially at 15p, compared with an overnight 25p, reflecting an almost total absence of support, but subsequent "cheap" buying left the quotation only a penny easier on balance at 24p.

Golds sharply higher

The strong recovery by South African gold and related issues over the past week gathered momentum. Sustained strength in the Financial Rand, which moved through the 30 cents barrier against the US dollar, and a third successive rise in the bullion price sparked off a fresh wave of buying interest from most international centres, in particular the Continent, where German, French and Belgian operators were good buyers of the leading issues. The latest upsurge in Golds owed much to a resurgence of interest in the bullion market which drew strength from a sharp upward move in platinum and silver prices. Bullion settled a net $2.75 up at $326.5, having touched $327 in late trading, thereby registering its biggest single day's improvement since the middle of last month.

The Gold Mines index jumped a further 11.4 to 268.8, extending the gain over the past six trading days to one of 61.2

Top-quality Golds attracted the lion's share of buying orders with Vaal Reefs outstanding and finally £2¾ firmer at £43⅞. "Amgold" appreciated £2 to £43, Randfontein £1½ to £50½.

South African Financials were given a major boost by the further strong gains in Golds. "Johnnies" raced ahead to close £5 better at £50 in a thin market, while Gencor jumped 65 to 625p and Anglo American Corporation 35 to 750p. The sharply increased interim profits and dividend helped "Amcoal" move up ¾ more to £11¼.

Consolidated Gold Fields featured a generally firm UK Financials sector, rising 13 to 500p on further speculative buying inspired by persistent talk of an iminent consortium bid. Rio Tinto-Zinc also made progress to close 5 harder at 538p, while Hampton Areas edged up a few pence to 132p.

Australians failed to participate in the general upturn in mining markets following another poor showing by overnight Sydney and Melbourne which remained disturbed by the recently announced poor October trade figures and resulting higher local interest rates.

London Traded Options were not available for this edition because of a computer failure at source.

FINANCIAL TIMES STOCK INDICES

	Nov. 13	Nov. 12	Nov. 11	Nov. 8	Nov. 7	Nov. 2	year ago
Government Secs	83.33	83.35	83.27	83.29	83.52	83.70	83.22
Fixed Interest	88.81	89.06	89.06	89.10	89.34	89.46	86.14
Ordinary ♥	1088.8	1074.2	1070.3	1082.5	1073.5	1081.2	923.7
Gold Mines	268.8	257.4	255.2	246.2	238.3	227.0	378.2
Ord. Div. Yield	4.42	4.49	4.48	4.44	4.47	4.46	4.03
Earnings, Yld. % (full)	10.96	11.11	10.99	10.89	10.27	10.21	11.14
P/E Ratio (net) (*)	11.25	11.10	11.26	11.36	11.28	11.34	10.75
Total bargains (Est.)	23,273	26,804	26,390	25,320	25,552	25,862	20,320
Equity turnover £m.	—	495.21	423.57	594.88	589.71	560.96	285.06
Equity bargains	—	22,741	24,350	27,076	25,274	24,522	17,430
Shares traded (ml)	—	212.2	200.2	280.8	255.9	270.6	137.1

♥ 10 am 1082.0. 11 am 1083.9. Noon 1088.2. 1 pm 1089.2.
2 pm 1090.0. 3 pm 1089.9. 4 pm 1089.0.
Day's High 1090.4. Day's Low 1079.3.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
* Nil = 10.85.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.57 (18/10)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	90.38 (18/10)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1088.8 (13/11)	211.0 (26/7)	1088.8 (13/11/85)	49.4 (26/6/40)
Gold Mines	536.2 (15/4)	217.6 (5/11)	734.7 (15/2/83)	43.3 (26/10/71)

S.E. ACTIVITY INDICES

	Nov. 12	Nov 11
Daily		
Gilt Edged Bargains	141.0	115.8
Equities Bargains	147.3	167.8
Equities Value	381.5	856.1
5 day Average		
Gilt Edged Bargains	160.3	128.2
Equities Bargains	160.3	166.0
Equities Value	1073.2	1127.2

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Nov 13 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tues Nov 12 Index No.	Mon Nov 11 Index No.	Fri Nov 8 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (207)	[illegible]									
2 Building Materials (22)	[illegible]									
3 Contracting, Construction (28)	[illegible]									
4 Electricals (13)	[illegible]									
5 Electronics (39)	[illegible]									
6 Mechanical Engineering (61)	[illegible]									
8 Metals and Metal Forming (7)	[illegible]									
9 Motors (17)	[illegible]									
10 Other Industrial Materials (20)	[illegible]									
21 CONSUMER GROUP (177)	[illegible]									
22 Brewers and Distillers (23)	[illegible]									
25 Food Manufacturing (22)	[illegible]									
26 Food Retailing (14)	[illegible]									
27 Health and Household Products (9)	[illegible]									
29 Leisure (24)	[illegible]									
31 Newspapers, Publishing (11)	[illegible]									
32 Packaging and Paper (13)	[illegible]									
34 Stores (42)	[illegible]									
35 Textiles (16)	[illegible]									
36 Tobaccos (3)	[illegible]									
39 OTHER GROUPS (98)	[illegible]									
41 Chemicals (18)	[illegible]									
42 Office Equipment (4)	[illegible]									
44 Shipping and Transport (11)	[illegible]									
45 Telephone Networks (2)	[illegible]									
46 Miscellaneous (63)	[illegible]									
49 INDUSTRIAL GROUP (482)	[illegible]									
51 Oils (18)	[illegible]									
59 500 SHARE INDEX (500)	[illegible]									
61 FINANCIAL GROUP (116)	[illegible]									
62 Banks (6)	[illegible]									
65 Insurance (Life) (9)	[illegible]									
66 Insurance (Composite) (7)	[illegible]									
67 Insurance (Brokers) (8)	[illegible]									
68 Merchant Banks (11)	[illegible]									
69 Property (51)	[illegible]									
70 Other Financial (24)	[illegible]									
71 Investment Trusts (106)	[illegible]									
81 Mining Finance (3)	[illegible]									
91 Overseas Traders (14)	[illegible]									
99 ALL-SHARE INDEX (739)	[illegible]									

	Index No.	Day's Change	Day's High	Day's Low	Nov 12	Nov 11	Nov 8	Nov 7	Nov 6	Year ago
FT-SE 100 SHARE INDEX	1396.9	+15.3	1400.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Wed Nov 13	Day's change %	Tues Nov 12	xd adj. today	xd adj. 1985 to date
British Government					
1 5 years	[illegible]				
2 5-15 years	[illegible]				
3 Over 15 years	[illegible]				
4 Irredeemables	[illegible]				
5 All stocks	[illegible]				
6 Debentures & Loans	[illegible]				
7 Preference	[illegible]				
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS	Wed Nov 13	Tues Nov 12	Year ago (approx.)
British Government			
1 Low Coupons 5 years	[illegible]		
2 Low Coupons 15 years	[illegible]		
3 Low Coupons 25 years	[illegible]		
4 Medium Coupons 5 years	[illegible]		
5 Medium Coupons 15 years	[illegible]		
6 Medium Coupons 25 years	[illegible]		
7 High Coupons 5 years	[illegible]		
8 High Coupons 15 years	[illegible]		
9 High Coupons 25 years	[illegible]		
10 Irredeemables	[illegible]		
11 Debs & Loans 5 years	[illegible]		
12 Debs & Loans 15 years	[illegible]		
13 Debs & Loans 25 years	[illegible]		
14 Preference	[illegible]		
15 Inflation rate 5%	[illegible]		
16 Inflation rate 10%	[illegible]		

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Abaco Investments	22	+ 5
Automotive Products	101	+ 4
Brown (Matthew)	535	+18
Bunzl	525	+28
Commercial Union	253	—
General Accident	730	+10
GRE	741	+16
ICI	700	+23
Redfearn Nat. Glass	118	+29
Royal Insurance	730	+20
Sun Alliance	555	+17
Trusthouse Forte	155	+ 8

TUESDAY'S ACTIVE STOCKS

Stock	No. of changes	Tues. close	Day's change
Vaux	24	370	−33
Intrnd. City	21	190	—
Glaxo	20	£15⅝	+ 0⅝
Reuters B	12	335	−14
Beecham	12	286	+ 1
Wtn. & Dudley	17	370	−38
Br. Home Strs.	14	320	+ 3
Burton	14	580	—
De La Rue	14	780	−25
Greene King	13	225	−21
Brown (M.)	13	517	− 3
Utd. Biscuits	12	205	+ 5

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
[illegible]								

TOTAL VOLUME IN CONTRACTS: 54,780
A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+or−	Net Div.	Times covered	Gross Yield	P/E Ratio
95	F.P.	7/11	108	97	AMS Inds. 5p	105	.....	b51.25	5.0	1.7	17.2
...	F.P.	—	5	5	Bardsey Warrants	5	.....	—	—	—	—
185	F.P.	1/11	233	202	Britoil 10p	210xd	+5	t15.0	3.0	6.8	6.0
$1.71p	F.P.	—	89	68	China&Eastn.Inv.$050	69	+1	—	—	—	—
...	F.P.	—	18	12	Do. Warrants	18	+1	—	—	—	—
‡90	F.P.	6/11	122	98	*Colorgen Inc. $0.01	107	.....	—	—	—	—
100	50	6/12	54	52	Cont'l.Assets Tst. 175p	54	.....	—	—	—	—
‡88	F.P.	8/11	96	89	*Cowells	90	+1	bg2.6	2.8	4.1	11.2
160	F.P.	6/12	172	160	Davidson Pearce 10p	172	+8	bg2.5	3.7	2.1	18.2
95	F.P.	20/12	109	102	*Ealing Electro. 5p	104	−1	bg2.2	4.3	3.0	10.9
190	F.P.	18/11	110	102	Fairbriar 10p	102	−2	bg4.0	1.2	5.2	9.4
‡72	F.P.	29/11	75	68	*Gibbon Lyons 10p	68	.....	bd35.2	—	7.4	12.4
‡57	F.P.	11/12	65	61½	*HampdenHmcre 10p	64	+1	bg1.5	2.2	3.4	18.2
‡94	F.P.	30/10	98	78	*InfraRed $0.10	85	+2	Q2.11c	5.2	1.8	—
190	F.P.	—	206	195	Intl. City Mtge.	199	.....	u9.0	2.2	6.5	8.9
‡62	F.P.	8/11	65	50	*Just Rubber 10p	56	.....	21.74	4.3	4.4	22.8
114	F.P.	—	113	103	*Magnetic Materials	103	−7	u2.8	3.1	3.9	9.8
‡90	F.P.	—	97	91	*Martin (Ronald) 10p	95	.....	bg3.27	2.2	4.9	12.9
‡67	F.P.	22/11	72	68	*Metsec 10p	68	−1	bg24.1	—	5.2	11.6
‡180	F.P.	25/10	187	166	*Questel 10p	180	+5	bg4.0	2.5	3.6	11.8
‡92	F.P.	8/11	100	90	*Radius 5p	95	.....	bg2.66	3.1	4.0	18.2
‡350	F.P.	1/11	473	345	St. Ive's 10p	465	.....	bg8.0	2.2	2.5	18.0
‡175	F.P.	22/11	192	175	*Shandwick 2p	180	+3	u5.68	—	3.9	22.3
100	F.P.	22/11	100	97	Strata Invs.	98	.....	—	—	—	—
‡118	F.P.	—	128	119	*TMD Advertising	125	.....	ug1.85	5.3	1.9	12.6
‡180	F.P.	20/12	212	195	Underwoods 10p	198	+5	bg1.66	3.0	1.2	40.6
**	F.P.	—	25	16	Vantage Secs. Wrrnts	25	+1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+or−
87.305	£30	—	32⅞	29⅝	Australia 9½% Ln. 2012	31¼	+⅞
‡91.443	£30	17/1	29⅝	27½	Bank of Greece 10¼% Ln. 2010	28¼	+¼
**	F.P.	—	113	100	Bremner 10% Cnv. Uns. Ln. 1992	115	—
‖	F.P.	26/11	139	110	Brit. Benzol 13% Conv. Uns. Ln. 1995	129	.....
‡96.468	£25	27/11	26⅛	25⅝	Brixton Est. 10⅞% 1st. Mort. Deb. 2025	[illegible]	−⅛
‡98.324	£40	3/12	44⅛	40¾	Est. & Gen. Inv. 11¼% 1st Mort. Deb. 2018	43	.....
‡97.617	£25	31/1	27¾	25¾	Evans of Leeds 11% 1st Mort. Deb. 2025	26½	.....
‡99.27	F.P.	29/11	101⅛	100¼	Hampton Tst. 11¼% 1st Mtg. Deb. 2025	100¼	.....
95.603	£25	10/1	25⅛	24¼	Haslemere 10⅛% 1st Mort. 2012	24¾	.....
88.466	£30	24/1	32⅛	29⅝	Intl. Bk. for Rec. & Dev. 9½% Ln. 2010	31⅛	+⅛
‡92.898	£26	31/1	24⅜	24⅛	Land Sec. 10% Deb. 2025	24⅛	.....
—	F.P.	—	99½	99¾	Nationwide 11½% Bds. 20/10/86	99½	+⅛
—	P.P.	—	99⅛	99⅝	Do. 11⅝% 17/11/86	100	+⅛
‡98.43	£23	21/2	25⅛	24¼	Peachey Prop. 10⅞% 1st Mort. Deb. 2015	24⅝	−⅛
**	P.P.	22/11	115p	110p	Pittard 9½% Cum. Pref.	114p	.....
‡39.967	F.P.	19/4	40⅛	39¾	Safeway Deep Dis. Stepped Ln. 2011	40⅛	+⅛

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+or−
55	F.P.	27/11	68	33	Brasway 10p	68	—
23	Nil	—	17pm	15pm	Comm. Bk. Wales	17pm	+5
60	F.P.	21/11	94	75	Crowther (J.)	92	.....
Dm460	Nil	—	495	450	Deutsche Bank Dm50	465	−18
106	Nil	10/1	24pm	20pm	Fisher (Albert) 5p	20pm	.....
100	F.P.	6/12	156	128	Garfunkels' Rest. 10p	152	+5
60	Nil	—	1pm	1pm	*Pavion Intl.	1pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. N Dividend and Yield based on prospectus or other official estimates for 1986. u Forecast otherwise indicated. ‡ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment price. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (a). † Units comprising 2 ordinary shares and 1 warrant.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov 4	Nov 15	Feb 6	Feb 17
Nov 18	Nov 29	Feb 20	Mar 3
Dec 2	Dec 13	Mar 6	Mar 17

For rate indications see end of Unit Trust Service

Stocks to attract money for the call included Premier Consolidated, West Coast Holdings, Brunswick Oil, Energy Capital, C. H. Bailey, Astra Industrial, Croda, CASE, Abaco, Standard Telephones and Cables and Westland. No puts or double options were reported.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	74	12	22
Corpns. Dom. and Foreign Bonds	22	9	50
Industrials	395	236	858
Financial and Props.	183	64	317
Oils	21	25	61
Plantations	3	2	12
Mines	82	20	85
Others	77	69	83
Totals	858	430	1,508

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (146)

BRITISH FUNDS (1)
BANKS (4)
BREWERS (4)
BUILDINGS (7)
CHEMICALS (3)
STORES (7)
ELECTRICALS (6)
ENGINEERING (6)
FOODS (3)
HOTELS (1)
INDUSTRIALS (20)
INSURANCE (9)
LEISURE (3)
MOTORS (2)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (18)
SHIPPING (1)
SHOES (1)
TRUSTS (53)
OILS (1)
OVERSEAS TRADERS (1)

NEW LOWS (25)

BANKS (1)
Gerrard & Natl.
BUILDINGS (1)
Access Satellite
STORES (1)
House of Lerose
ELECTRICALS (6)
Acorn Computer, Kewill Systems
Apricot Computer, Memcom Intl.
Datron Intl., Powerline Intl.
INDUSTRIALS (2)
PSM Intl., Pritchard Services
INSURANCE (1)
Dewey Warren
LEISURE (1)
Nimslo Intl.
TRUSTS (3)
Argo Invs., Nevi Baltic 7pc Cnv. Red. Prf.
Natl. Home Loans
OILS (7)
Churchill Resources, Jebsens Drilling
Cons. Intl. Petrol., N. Sea & Gen. Inv.
Goal Petroleum, Premier Cons.
Jebsens Drilling
PLANTATIONS (1)
Williamson Tea
MINES (1)
Australis Mining

WORLD STOCK MARKETS

AUSTRIA

Nov. 13	Price Sch.	+ or —
Creditanstalt ppd	370	+5
Goesser	490	5
Interunfall	1,520	+20
Laenderbank	351	..
Perimooser	590	15
Stey Daimler	172	+8
Veitscher Mag	760	10

BELGIUM/LUXEMBOURG

Nov. 13	Price Frs.	+ or —
B.B.L.	2,580	
Banq. Gen. Lux.	8,750	
Banq. Int.A.Lux	8,100	
Bekaert	8,600	+10
Ciment CBR	2,990	45
Cockerill	212	1
Delhaize	8,700	+100
EBES	6,805	5
Electrobel	11,250	150
Fabrique Nat.	2,360	+60
GB Inno BM	5,500	+60
GBL (Brux)	9,695	+50
Gevaert	4,805	+105
Hoboken	6,800	

GERMANY

Nov. 13	Price Dm.	+ or —
AEG	222	18.2
Allianz Vers	1,769	11
BASF	260.5	2.5
Bayer	255	+1
Bayer.Hypo	447	+3
Bayer Verein	455	5
BHF-Bank	427	4
BMW	605	+52
Brown Boveri	289	5.5
Commerzbank	262.5	5
Cont'l. Gummi	161.2	1.9
Daimler Benz	1,180	50
Degussa	442	6
D'sche Babcock	212	−2
Deutsche Bank	711	6
Dresdner Bank	337.5	5.5
GHH	220	1
Henkel	409	1
Hochtief	770	
Hoechst	249	2
Hoesch Werke	165	9
Holzmann (P.)	483	11
Horten	208	
Hussel	568	+5
Karstadt	290	+1

NORWAY — SPAIN — SWEDEN — SWITZERLAND — NETHERLANDS — ITALY — DENMARK — FRANCE — AUSTRALIA — AUSTRALIA (continued) — HONG KONG — JAPAN — JAPAN (continued) — SINGAPORE — SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Closing prices November 13

MONTREAL

Closing prices November 13

93480	Bank Mont	$33	32¾	32⅞	−¼
7493	BombrdrB	$13⅝	13⅜	13⅜	+¼
3515	CB Pak	$23½	23⅜	23⅜	−⅜
14005	Cascades	$11	10¾	10⅞	
12406	ConBath	$16⅝	16½	16½	
1951	DomTxtA	$13¼	13	13	−¼
7250	Gaz Metro	$12¾	12½	12⅝	
500	MntTrst	$16⅛	16⅛	16⅛	
88433	NatBk Cda	$21¼	21⅛	21⅛	−⅛
24037	Power Corp	$19⅝	19½	19½	
4200	RollandA	$18½	18½	18½	−½
17979	Royal Bank	$33¾	33¼	33¼	−⅜
41400	RoyTrstco	$21⅞	21⅝	21⅞	+¼
1875	SteinbrgA	$31	30⅝	30⅞	+¼

Total Sales 2,929,941 shares

F - No voting rights or restricted voting rights

Indices

NEW YORK-DOW JONES

	Nov 13	Nov 12	Nov 11	Nov 8	Nov 7	Nov 6	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,427.75	1,433.60	1,431.88	1,404.38	1,399.54	1,404.13	1433.60 (12/11)	1184.96 (4/1)	1433.60 (12/11/85)	41.22 (2/7/32)
Transport	690.61	694.11	690.99	678.14	675.33	673.92	702.6 (17/7)	553.03 (4/1)	702.60 (17/7/85)	12.32 (8/7/32)
Utilities	164.68	166.32	164.70	161.83	160.76	160.70	168.31 (12/7)	146.54 (4/1)	168.91 (12/7/85)	10.5 (28/4/42)
Trading vol	—	—	128.5m	114.9m	118.9m	129.4m	—	—	—	—

	Nov 8	Nov 1	Oct 25	Year Ago (Approx)
Ind Div Yield %	4.49	4.54	5.54	4.76

STANDARD AND POORS

	Nov 13	Nov 12	Nov 11	Nov 8	Nov 7	Nov 6	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	218.65	219.63	218.81	214.90	213.85	214.03	219.63 (12/11)	120.24 (4/1)	219.63 (12/11/85)	3.62 (30/6/32)
Composite	197.10	198.08	197.29	193.72	192.62	192.75	198.08 (12/11)	163.68 (4/1)	198.08 (12/11/85)	4.40 (1/6/32)

	Oct 30	Oct 23	Oct 16	Year Ago (Approx)
Ind div yield %	3.71	3.73	3.75	4.83
Ind. P/E Ratio	12.71	12.68	12.64	10.68
Long Gov Bond Yield	10.22	10.35	10.50	11.59

N.Y.S.E. ALL COMMON

Nov 13	Nov 12	Nov 11	Nov 8	1985 High	1985 Low
113.78	114.23	113.82	111.31	114.33 (12/11)	94.60 (4/1)

RISES AND FALLS

	Nov 12	Nov 11	Nov 8
Issues traded	2,039	1,998	2,030
Rises	1,086	1,228	1,117
Falls	564	399	464
Unchanged	389	373	449

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day
Beatrice Co	2,431,300	45⅞	+⅛
Baxter Lab	1,811,700	13⅞	+¼
Colgate	1,477,100	30⅞	unch
Ford Motor	1,400,700	48⅞	+⅝
BankAmer	1,362,400	15⅞	+½
IBM	1,261,700	135⅞	−⅛
ATT	1,153,600	21⅞	−⅛
Mer Lynch	1,042,000	32⅞	+¾
Black Dec	913,500	20	−¾
Fannie Mae	807,200	23⅞	−⅛

Advances 604 Declines 928

TORONTO	Nov 13	Nov 12	Nov 11	Nov 5	1985 High	1985 Low
Metals & Minls	1,865.8	1,886.5	1,890.75	1,839.45	2190.7 (13/2)	1796.4 (23/10)
Composite	2,772.5	2,785.3	2,773.45	2,748.1	2818.9 (30/8)	2348.5 (8/1)
MONTREAL Portfolio	134.84	135.51	134.96	133.17	139.33 (19/7)	117.00 (4/1)

* Indicates pre-close figure

	Nov. 13	Nov. 12	Nov. 11	Nov. 8	1985 High	1985 Low
AUSTRALIA						
All Ord. (1/1/80)	1016.4	1023.3	1031.7	1012.8	1052.2 (25/10)	715.3 (7/1)
Metals & Minls. (1/1/80)	500.0	504.4	518.2	504.5	585.8 (20/5)	362.5 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	193.29	191.77	190.96	188.88	195.78 (17/8)	54.21 (24/1)
BELGIUM						
Brussels SE (3/1/80)	2895.76	2867.05	c	2826.06	2895.76 (13/11)	2090.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	u	229.98	u	229.96	237.57 (24/10)	158.44 (8/1)
FRANCE						
CAC General (31/12/82)	231.0	230.2	c	227.70	233.1 (31/5)	180.9 (3/1)
Ind Tendance (28/12/84)	133.3	132.4	c	130.10	133.5 (13/11)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	599.64	594.56	596.48	590.86	600.44 (4/11)	382.39 (3/1)
Commerzbank (1/12/53)	1742.0	1760.5	1742.9	1755.5	1781.4 (4/11)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1747.18	1730.15	1722.40	1722.50	1747.18 (13/11)	1225.24 (2/1)
ITALY						
Banca Comm Ital. (1972)	407.06	404.90	404.54	411.27	417.67 (4/11)	228.56 (2/1)
JAPAN**						
Nikkei (16/5/49)	12716.5	12735.1	12821.6	12851.05	13055.5 (15/10)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1000.19	1004.25	1010.19	1012.85	1057.55 (10/7)	916.93 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	235.1	235.6	232.6	230.7	235.6 (12/11)	185.6 (3/1)
ANP-CBS Indust (1970)	210.5	211.3	210.5	208.8	211.3 (12/11)	147.8 (3/1)
NORWAY						
Oslo SE (4/1/83)	406.75	412.88	409.53	399.43	412.88 (12/11)	288.18 (2/1)
SINGAPORE						
Straits Times (1966)	766.46	771.06	790.27	781.26	852.65 (7/8)	717.98 (15/7)
SOUTH AFRICA						
JSE Gold (28/9/78)	..	1155.0	1097.9	1547.8	1140.5 (16/4)	639.3 (5/8)
JSE Indust (28/9/78)		924.5	930.8	934.20	1036.0 (16/7)	767.1 (7/3)
SPAIN						
Madrid SE (28/12/84)	132.09	130.57	128.90	125.60	132.89 (13/11)	101.48 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	1538.01	1511.58	1504.77	1508.58	1536.01 (13/11)	1285.62 (8/7)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	522.8	528.4	530.6	533.1	535.1 (8/11)	389.7 (5/1)
WORLD						
Capital Intl. (1/1/70)		257.5	257.6	255.5	257.8 (12/11)	184.6 (4/1)

** Saturday November 9: Japan Nikkei c. TSE c.

Base value of all Indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES

Tr 11¾% 2003/07	£113⅝	+½
Abaco Invs.	22	+5
Beecham	293	+7
Brammer	343	+13
Brit & Comm	332	+7
Brown (Matthew)	535	+18
Bunzl	525	+28
Cookson	385	+13
Distillers	476	+8
Fisons	428	+17
General Acc	720	+10
ICI	700	+23
Land Sec	323	+4
Marks & Sp	183	+4
RMC	490	+12
Regalian Props	360	+50
Redfearn Natl. Gl	118	+29
Royal Ins	730	+20
Smiths Inds	240	+8
Stat-Plus	185	+10
Tarmac	394	+8
Thorn EMI	402	+18
Trusth Forte	155	+8
Utd. Bis	212	+7
Whitworth's Food	108	+18

FALLS

Tr 2½% I.L. 2011	£102⅝	−½
Acorn Com	31	−10
Exco. Intl.	217	−8
Vaux	363	−7
Wolv. & Dud Br.	363	−7

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 37

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24⅞	16	AAR	.56	2.4	15	44	23½	23	23⅛	−½
18⅝	8¾	AGS			14	180	18½	17⅞	17⅞	−⅛
14	9⅛	AMCA				28	10½	10	10	−½
50¾	28¾	AMR			7	4736	42¾	42⅛	42⅝	−⅜
13⅞	7⅞	APL				58	16	9⅞	16	
15⅛	6	ARX			14	165	15⅛	14⅝	14⅝	−⅜
31⅛	32¾	ASA	2a	5.7		x769	35¼	34⅞	34⅞	−⅜
27	10½	AVX	.32	2.8		254	11¾	11⅛	11⅛	
28⅛	18¾	AZP	2.72	11.	7	628	25¼	25½	25⅛	+⅛
61⅝	36⅝	AbtLab 1.40		2.3	16	1922	u62	60¾	61¼	
25⅞	19⅝	AccoWld .85		2.0	13	432	24⅞	23⅞	24⅞	+1⅛
24¾	16	AcmeC .40		3.6		152	11¼	10⅞	11½	+½
10½	7	AcmeE .32b		4.6	11	2	7	7	7	
19	15½	AdaEx 1.92e		11.		124	18	17¾	17⅞	−⅛
20	13½	AdmMl .40		2.1	3	x25	19¼	10	10	
14⅞	8¾	AdvSys .53t		4.0	19	143	13½	13¼	13¼	−⅛
36⅝	22⅛	AMD			37	1818	25¼	24¾	24⅞	−⅛
11⅛	10⅝	Adobe n				237	10⅞	10⅝	10⅝	+⅛
15⅞	14⅝	Adob pfA				82	15	14⅞	14⅞	
19½	15¼	Adob pfB				370	16½	16⅜	16½	+⅛
12⅞	6⅞	Advest .12		1.2	15	478	10⅜	10¼	10⅜	−¼
53	34⅝	AetnLf 2.64		5.1	17	10187	52⅜	51⅝	52⅛	+⅞
57½	53¼	AetL pf5.41e		9.6		5	56⅝	56⅛	56⅛	+½
39¾	22⅞	Ahmns 1.20		3.1	7	2123	30	38¾	38⅛	−⅜
3⅞	2⅞	Aileen				37	2¾	2⅝	2¾	
57⅞	44½	AirPrd 1.46		2.0	12	1368	u57¾	56¾	57⅝	+⅞
24⅝	17½	AirbFrt .80		2.0	12	385	21	20¼	20½	−⅛
21⅛	1⅞	AlMoa s.10a		6.2		34	1⅝	1⅝	1⅝	−⅛

Continued from Page 37

NYSE COMPOSITE CLOSING PRICES

Continued from Page 36

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
8¼	3½	PanPr				462	7½	7¼	7¼	-¼
19⅛	6½	Pardyn				2008	7⅝	7	7⅛	
17⅞	11½	ParkEl .09e	.2	12	11	13¾	13⅝	13⅝	-⅛	
7½	4	ParkDri.08	1.7		675	5	4⅝	4⅝	-⅛	
38½	28¼	ParkH 1.12	3.3	11	1291	33⅝	33⅛	33½	-¼	
23⅝	14½	ParkPn.52	2.4	32	304	23	22	22	-⅞	
8	3	PatPtr s		2	26	4¼	4	4	-¼	
15⅞	11½	PayNP .64	5.3	13	457	12¼	12	12⅛		
23⅝	13½	PayCsh .16	1.0	14	1038	15½	15	15¼	+⅛	
1¼	5-16	Pengo			51	15-32	7-16	7-16		
58⅝	44⅛	PenCen		14	404	52½	51¼	51¼	-⅝	
53⅝	44⅝	Penney2.68	4.7	76	1245	51¼	50⅝	50⅝	-⅞	
27⅞	23½	PaPL 2.56	9.6	6	1160	27	26¾	26¾	-⅛	
40½	33	PaPL pf4.50	11.		z30	40	40	40	-½	
72¼	62	PaPL pf8.60	12.		z10	72¾	72¾	72¾	+½	
29¾	25¼	PaPL dpr3.42	12.		224	29	28¾	28¾	-¼	
27½	22¾	PaPL dpr2.90	11.		116	27	26¾	27	+¼	
31¼	27½	PaPL dpr3.75	12.		4	31	30¾	30¾	+¼	
70⅝	57¼	PaPL pr 8	12.		z310	67¼	66¼	67¼	+1	
75½	62	PaPL pr8.70	12.		z110	74	73½	74		
41½	34	Pennwlt 2.20	5.8		73	38½	38	38	-½	
25⅝	20	Pennw pf1.60	6.9		27	23¼	23	23¼	+¼	
50	34	Pennzoi2.20	4.7	21	954	47⅞	47⅛	47⅛	-¼	
18⅞	13¾	PeopEn.20	6.6	8	272	18¼	17⅞	18⅛	-⅛	
26⅝	14¼	PepBy n .20	.8	21	100	26⅝	25¼	25⅝	-⅛	
56⅝	39⅞	PepsiCo1.78	2.7	12	857	66½	66	66⅛		
30⅛	22⅝	PerkEl .56	2.0	16	3728	28½	27⅞	27⅞		
9½	7⅞	PrmianL12e	15.	6	722	7⅞	7½	7½	-¼	
16	10¾	PeryD s			561	18	17¾	18	+⅛	

[illegible]

AMEX COMPOSITE CLOSING PRICES

[illegible]

OVER-THE-COUNTER

Nasdaq national market, closing prices

[illegible]

Continued on Page 35

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Debt-limit debate cools fed bonds

FIXED INTEREST and equity sectors paused for consolidation on Wall Street yesterday, *writes Terry Byland in New York.*

Turnover in stocks remained high but the profit-takers were resisted until the end of the session. In the credit market, the 10 per cent yield hurdle remained intact as bond prices shaded lower.

Blue chips and second-line stocks were easier for most of the day. The Dow Jones industrial average fell 5.85 to 1427.75, on turnover of 110.9m shares.

The cliff-banging political debate on the federal debt ceiling, emphasised by White House opposition to the proposed short-term debt-extension measure, cooled enthusiasm in the federal bond market.

In the stock market, selling pressure was moderate, and underlying confidence remained intact. After the massive rise in the market on Veterans' Day and the buge turnover of Tuesday'a session, a pause for profit-taking was widely expected. There were some signs of retail buying as private investors followed the institutions back into equities.

Technology and interest rate-sensitive stocks, which bave led the recent upsurge, appeared less sure of themselves and minor losses ranged across the market.

A weak start by IBM brought the huyers out for a time, but hy the close, Big Blue was a net $⅝ off at $135, with turnover well above 1m ahares. Merck, another overseas-earning stock which has been a market star, fell $1¾ to $121 in sluggish trading.

Airline issues, also prominent this week, suffered minor falls. American, at $42¾, shed $⅝, retaining mucb of its recent strength.

Several sectora, which had kept a low profile earlier in the week, showed firmness. General Motors, at $69, added $⅝, and Ford followed suit in busy trading to gain $⅛ to $49. Chrysler, uncbanged at $42¼, suffered from profit-taking.

The cbemical sector, too, beld firm. Monsanto, after announcing plans to sell its Britisb oil interests, added $⅜ to $45⅞. Union Carbide edged up $½ to $59¾. Imperial Chemical Industries of Britain jumped $1 to $39½, encouraged by the strength of the UK stock market.

Retail stocks turned dull although Woolworth stood out with a gain of $⅞ to $55¾ after announcing high profits. But with no sign yet of the formal offer from the management group, higher earnings hrought no benefit for Macy, which eased $1¼ to $61¾.

The market pondered the identity of a seller of 1m sbares in Colgate-Palmolive, at $30⅛. The stock eased by $⅛ to $30⅛ after the deal.

Also heavily traded was Baxter Travenol, up $¼ at $13¼. Other pbarmaceutical issues were mixed, with Pfizer $⅛ off at $50 and Bristol-Myers $⅝ off at $61¾, pausing after their run-up in recent sessions.

In a sluggish banking sector, Security Pacific, the West Coast house, shaded by $⅛ to $30 in miniscule trading after announcing the purchase of Baumeister Kreditbank of Frankfurt, West Germany. Of the week's stars, Bankers Trust eased hy $¼ to $69¼, hut Chase Manhattan edged up $¾ to $61¾.

Ahead of news from an unexpected board meeting, Beatrice Group added $⅞ to $45½ in heavy trading. The Beatrice board sought, unsuccessfully, a trading suspension pending an announcement from the meeting. Wall Street believes Beatrice is struggling to find a friendly takeover offer.

A gloomy trading report from CBS added $1 to the stock at $119½, but turnover was ligbt.

Sbort-term rates were pushed smartly higher in the credit market, despite a dip in Federal Funds below 8 per cent. Some analysts discounted prospects of a cut in the federal discount rate, suggesting increased business activity will put upward pressures on rates.

However, bond prices fell only slightly and traders continued to position themselves for a further rise in federal issues. Long-dated bonds have risen by 2½ points since the beginning of the month, and a pause for profit-taking is no surprise.

TOKYO

Entrenched stance on sidelines

TRADING continued to focus on small-capital issues in Tokyo yesterday, with many investors refraining from buying, *writes Shigeo Nishiwaki of Jiji Press.*

Some biotechnology issues began to draw interest, while Fanuc tumbled on massive sales by West Germany's Siemens, and Sanko Steamship continued to trade heavily.

The Nikkei average fell 18.79 to 12,718.29, its fifth consecutive daily loss, on a volume of 316m shares, up from 246m on Tuesday. Declines led advances 472 to 298, with 154 issues unchanged.

Fanuc plunged Y380 to Y7,250 on news that Siemens bad sold, through West German and Swiss banks, 7m of the 8.84m shares it bad owned. Fanuc's Tokyo volume amounted to 990,000 shares.

Sanko Steamship, which is scheduled to be delisted from the Tokyo stock exchange today, moved Y1–Y3 range in speculative trading and closed down Y1 at Y1. Its turnover was the busiest of the day with 63.68m shares traded.

Companies with capital of around Y3bn continued to attract speculative sources. Shochiku gained Y60 to Y1,120 on investor interest in its urban redevelopment project. Nikkatsu added Y6 to Y146, Kyodo Shiryo Y7 to Y347, Hodogaya Chemical Y40 to Y1,140, and Takashima Y34 to Y348.

Biotechnology-related stocks gained ground almost across the board. Asahi Chemical firmed Y27 to Y820 with the second husiest volume of 10.12m shares, Mitsubishi Chemical gained Y11 to Y511, Kuraray Y10 to Y1,460, Toyojozo Y40 to Y1,290, and Tanabe Seiyaku Y80 to Y1,240. However, no specific incentives were observed.

Other leading issues remained out of favour. Mitsubishi Heavy Industries was unchanged at Y354, while Nippon Steel sbed Y4 to Y155 on small-lot selling. Tokyo Electric Power lost Y40 to Y2,290.

Blue-chip issues also remained out of favour, with Canon dropping Y20 to Y1,030, Canon Sales Y90 to Y2,590, Sony Y40 to Y3,720 and Matsushita Communication Y40 to Y2,500. Conversely, Minolta soared Y20 to Y1,030 on active sales of a new single-lens reflex camera model.

Bonds continued to decline on sales by some financial institutions amid concern over the market outlook. Investors did not react to an overnight plunge in the yield on the 30-year US treasury bonds.

The yield on the bellwether 6.6 per cent 88th government bond due in December 1994 rose from 6.750 per cent to 8.850 per cent, falling below par for the first time since its listing in July this year. Local agricultural co-operative investors were sellers due to rumours of a short-term prime-rate increase.

The dominant view among major securities companies was that the bond price would stop falling after the yield's upsurge above 7 per cent.

SOUTH AFRICA

THE FIRMER gold price and a weaker rand, before Reserve Bank intervention, strengthened sentiment in Johannesburg, althougb hy the close prices traded mixed.

Buffels managed to hold on to a 25-cent rise to R78, Vaal Reefs picked up R1 to R205 although Driefontein held steady at R54.25.

Mining financials were firmer but leading diamond share and international favourite De Beers eased 10 cents to R14.30.

CANADA

A RALLY in gold shares left the broader Toronto market largely unmoved.

Most active was Dome Petroleum, up 9 cents to C$2.89 after reporting a turnround in earnings, while Canadian Pacific traded C$⅛ lower to C$17¼.

The higher bullion price lifted golds with Lac minerals moving C$⅞ higher to C$33¾ and Dome Mines C$⅜ to C$12¼.

A weaker Montreal registered a fall of C$⅛ to C$24⅝ for Imasco and a gain of C$¼ to C$13½ for Provigo.

EUROPE

Brussels peaks on rates cut

FOREIGN BUYERS tended to scale down their activity in most European bourses yesterday, leaving prices mixed to lower with only a few exceptions.

A cut in Belgium's key lending rates nudged **Brussels** higher and electricals were particularly sougbt.

The Belgian Stock Exchange index rose 28.71 to a record 2,895.76, and dealers complained of a shortage of paper on the market.

Retail group Delhaize added BFr 100 to BFr 8,700.

In the industrial sector Bekaert, the wire producer, rose BFr 10 to BFr 8,600. and in metals, Vieille-Montagne fell BFr 170 to BFr 5,500.

Stockholm surged on continuing expectations of lower domestic interest rates.

Drug producer Fermenta was again heavily traded and added SKr 13 to SKr 135.

Ericsson was also active ahead of today's nine-month report and ended SKr 5 higber at SKr 210. Among blue chips, Electrolux rose SKr 5 to SKr 189.

Food issues again led **Paris** higher with Beghin-Say FFr 10 ahead at FFr 272 and Docks de France up FFr 50 at FFr 1,250.

UCB stood out in the banking sector with a gain of FFr 14 to FFr 394. Redoute led stores with a FFr 33 rise to FFr 1,713.

Sbares to hit highs for the year included Thomson-CSF, up FFr 20 at FFr 630 and Radiotechnique, FFr 10 higher at FFr 360.

A huoyant start in **Frankfurt** turned easier as foreign investors took profits. The Commerzbank index shed 18.5 to 1,742.0.

One exception to the trend was BMW, which is involved in talks with the Bavarian state government to buy a stake in the arms and aerospace group MBB. The car issue rose DM 51 to a peak DM 602.

Elsewhere in cars, Daimler dropped DM 50 to DM 1,180 on profit-taking after having climbed steeply after announcing its bid for electrical group AEG.

Machinery-maker MAN, which reported a profit for the year ending in June, faded DM 3 to DM 205, while Bayerische Hypotheken bank, which is raising capital through the issue of bonds with warrants to buy shares, gained DM 3 to DM 447.

Bonds firmed by an average of 45 basis points with some longs adding about 60 basis points. The Bundesbank intervened to sell a befty DM 92.4m worth of paper after buying DM 24.3m on Tuesday.

Lack of any fresh factors and continued profit-taking kept **Zurich** lower.

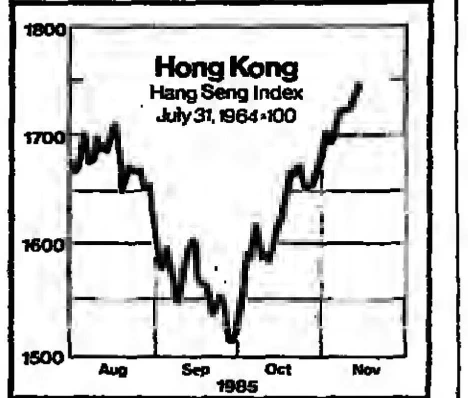
Financials and bolding companies extended their falls from the previous session and banks ended mixed after recent strong performances.

Jacobs Suchard, which hopes to broaden its investment appeal to overseas buyers by launching a sale of new bearer-participation certificates in the Euromarket, dropped SFr 35 to SFr 7,840, while Nestlé, which is bracing itself for a slow growth in profits, remained unchanged at SFr 8,100 after gaining SFr 20 on Tuesday.

Bonds ended steady.

Amsterdam was mixed to lower althougb some bourse indices reacbed records. Shipping group Nedlloyd was one of the few strong issues, rising Fl 5.40 to Fl 191.90.

Demand in the insurance sector led **Milan** higher. Industrials were also popular. In **Madrid** all sectors saw gains.



HONG KONG

PROSPECTS of good trading results from a number of local property companies tempted more buyers in Hong Kong and pushed the Hang Seng index 17.03 higher to 1,747.18, its highest level since July 1981.

Cheung Kong firmed 20 cents to HK$20.80, Hongkong Land picked up 10 cents to HK$6.95, Hongkong Wharf added 10 cents to HK$7.60, while Sun Hung Kai Properties added 30 cents to HK$13.40.

New World and Henderson Land, both due to report bealthy profits soon, provided the spur to the sector with the former picking up 15 cents to HK$8.60 and the latter holding steady at HK$2.28.

LONDON

Chancellor stimulates fresh record

FRESH RECORDS were achieved in the London equity market yesterday as investors gave the Chancellor of the Exchequer's autumn economic statement an enthusiastic reception. The FT Ordinary index scored a 14.2 advance to a peak of 1,088.8 while the FT-SE 100 broke through 1,400 briefly before settling at a record 1,396.9 with a rise of 15.3.

The unveiling of a £14bn privatisation programme to belp curb public spending levels was a further boost to sentiment.

ICI was particularly sought by domestic and overseas investors and finished the session 23p higher at 700p. Insurers were also busy, due partly to a series of profit statements. General Accident added 10p to 720p, Commercial Union held steady at 253p.

The euphoria in equities flowed over into gilts with gains of up to ⅜ in longs and ⅛ in shorts.

Chief price changes, Page 35; Details, Page 34; share information service, Pages 32–33

SINGAPORE

SERIOUS CONCERN over the commodity-based nature of Malaysia's economy in general and the immediate difficulties surrounding the tin market in particular hit Singapore again. The Straits Times industrial index dropped a further 4.60 to 766.46.

Among leading issues, Far East Levingston fell 10 cents to S$2.60, while Genting and Singapore Press shed 5 cents apiece to S$5.75 and S$6.75, but Fraser & Neave recovered 5 cents to S$6.70.

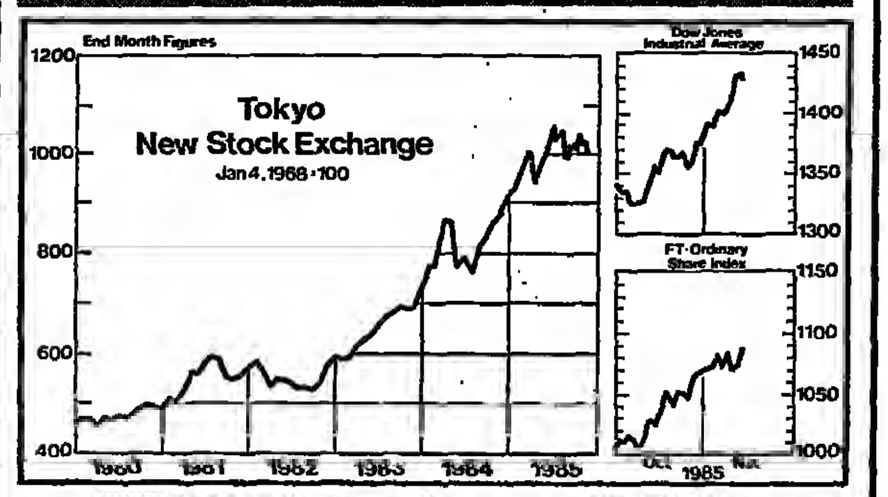
AUSTRALIA

THE RETREAT in Sydney continued as buying support for BHP – largely in the form of Mr Robert Holmes à Court – dried up and dragged the rest of the market down. The All Ordinaries index lost 13.5 to 1,010.4.

BHP fell 42 cents to A$9.78 while Holmes à Court's Bell group declined 10 cents to A$11.40.

National Australia Bank was unchanged at A$4.85 despite reporting an increase of 30 per cent in annual profits. Most other banking issues held steady.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Nov 13	Previous	Year ago
NEW YORK			
DJ Industrials	1,427.75	1,433.60	1,206.80
DJ Transport	680.01	684.11	527.28
DJ Utilities	164.80	165.32	144.65
S&P Composite	197.10	198.08	165.97
LONDON			
FT Ord	1,088.8	1,074.6	923.7
FT-SE 100	1,396.9	1,381.6	1,183.7
FT-A All-share	679.96	673.4	558.10
FT-A 500	741.69	734.51	609.74
FT Gold mines	268.8	257.4	578.2
FT-A Long gilt	10.44	10.47	10.02
TOKYO			
Nikkei	12,716.29	12,735.08	11,265.2
Tokyo SE	1,000.10	1,004.20	852.23
AUSTRALIA			
All Ord.	1,010.4	1,023.9	778.3
Metals & Mins.	500.0	504.4	475.1
AUSTRIA			
Credit Aktien	103.29	101.77	57.41
BELGIUM			
Belgian SE	2,895.76	2,867.05	161.53
CANADA			
Toronto			
Metals & Minls	1,865.9	1,885.5	2,031.0
Composite	2,772.6	2,785.3	2,412.1
Montreal			
Portfolio	134.64	135.51	118.67
DENMARK			
SE	n/a	229.88	170.54
FRANCE			
CAC Gen	231.0	230.2	180.8
Ind. Tendance	133.3	132.4	98.4
WEST GERMANY			
FAZ-Aktien	589.64	594.56	370.46
Commerzbank	1,742.0	1,760.5	1,082.9
HONG KONG			
Hang Seng	1,747.18	1,730.15	1,066.13
ITALY			
Banca Comm.	407.06	404.90	211.95
NETHERLANDS			
ANP-CBS Gen	233.1	233.8	180.0
ANP-CBS Ind	210.5	211.3	141.1
NORWAY			
Oslo SE	406.73	412.88	285.47
SINGAPORE			
Straits Times	766.46	771.06	795.52
SOUTH AFRICA			
JSE Golds	–	1,133.8	1,094.4
JSE Industrials	–	928.5	898.2
SPAIN			
Madrid SE	139.89	130.57	98.31
SWEDEN			
J & P	1,536.01	1,511.08	1,359.57
SWITZERLAND			
Swiss Bank Ind	522.8	526.4	379.9
WORLD	Nov 12	Prev	Year ago
Capital Int'l	237.9	237.6	187.4

COMMODITIES

(London)	Nov 13	Prev
Silver (spot fixing)	430.75p	429.90p
Copper (cash)	£976.75	£969.50
Coffee (Jan)	£1,873.50	£1,916.50
Oil (spot Arabian Light)	$27.85	$27.85

GOLD (per ounce)

	Nov 13	Prev
London	$326.50	$323.75
Zürich	$325.25	$323.55
Paris (fixing)	$325.03	$323.98
Luxembourg	$324.60	$323.20
New York (Dec)	$326.20	$325.80

CURRENCIES

(London)	U.S. DOLLAR Nov 13	U.S. DOLLAR Previous	STERLING Nov 13	STERLING Previous
$	–	–	1.424	1.4125
DM	2.615	2.622	3.725	3.7025
Yen	203.95	205.6	290.5	290.5
FFr	7.9675	7.9925	11.345	11.29
SFr	2.144	2.152	3.0525	3.04
Guilder	2.9455	2.954	4.195	4.1725
Lira	1,766.0	1,768.0	2,514.75	2,497.25
BFr	52.75	52.95	75.1	74.8
C$	1.38	1.3785	1.966	1.952

INTEREST RATES

	Nov 13	Prev
Euro-currencies (3-month offered rate)		
£	11⁷⁄₁₆	11⅜
SFr	4⅛	4³⁄₁₆
DM	4¾	4¾
FFr	9⁹⁄₁₆	9⁷⁄₁₆
FT London Interbank fixing (offered rate)		
3-month U.S.$	8³⁄₁₆	8¹⁄₁₆
6-month U.S.$	8³⁄₁₆	8⅛
U.S. Fed Funds	7⅞	8
U.S. 3-month CDs	7.70	7.70
U.S. 3-month T-bills	7.26	7.21

U.S BONDS

Treasury		Nov 13* Price	Nov 13* Yield	Prev Price	Prev Yield
8⅞	1987	100²⁰⁄₃₂	8.54	100²¹⁄₃₂	8.502
9⅝	1992	100²⁹⁄₃₂	9.56	100³⁰⁄₃₂	8.559
10½	1995	104¹⁶⁄₃₂	9.75	104¹⁸⁄₃₂	8.754
10⅝	2015	105¹⁹⁄₃₂	10.04	105⁹⁄₃₂	10.06

Treasury Index Maturity (years)	Return index	Nov 13* Day's change	Yield	Day's change
1–30	132.54	−0.22	9.28	+0.05
1–10	130.45	−0.18	8.99	+0.05
1– 3	126.70	−0.07	8.49	+0.04
3– 5	132.08	−0.24	9.22	+0.07
15–30	139.95	−0.35	10.29	+0.03

Source: Merrill Lynch

Corporate	Nov 13* Price	Nov 13* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	101½	8.96	101½	9.95
3⅞ July 1990	83.625	8.20	83½	8.00
8⅜ May 2000	87⅞	10.50	86½	10.60
Xerox				
10⅜ Mar 1993	101⅜	10.25	101⅜	10.25
Diamond Shamrock				
10⅜ May 1993	101	10.40	101	10.40
Federated Dept Stores				
10⅜ May 2013	99	10.70	99	10.70
Abbot Lab				
11.80 Feb 2013	107⅞	10.90	107⅞	10.90
Alcoa				
12⅛ Dec 2012	103⅜	11.80	103⅜	11.80

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	80-06	80-22	80-04	80-19
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	92.90	93.00	92.88	93.01
Certificates of Deposit (IMM) $1m points of 100%				
Dec	92.34	92.38	92.34	92.41
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	92.05	92.11	92.05	92.12
20-year Notional Gilt £50,000 32nds of 100%				
Dec	111-21	112-00	111-17	111-15

* Latest available figures